

10th Annual Report 2015-2016



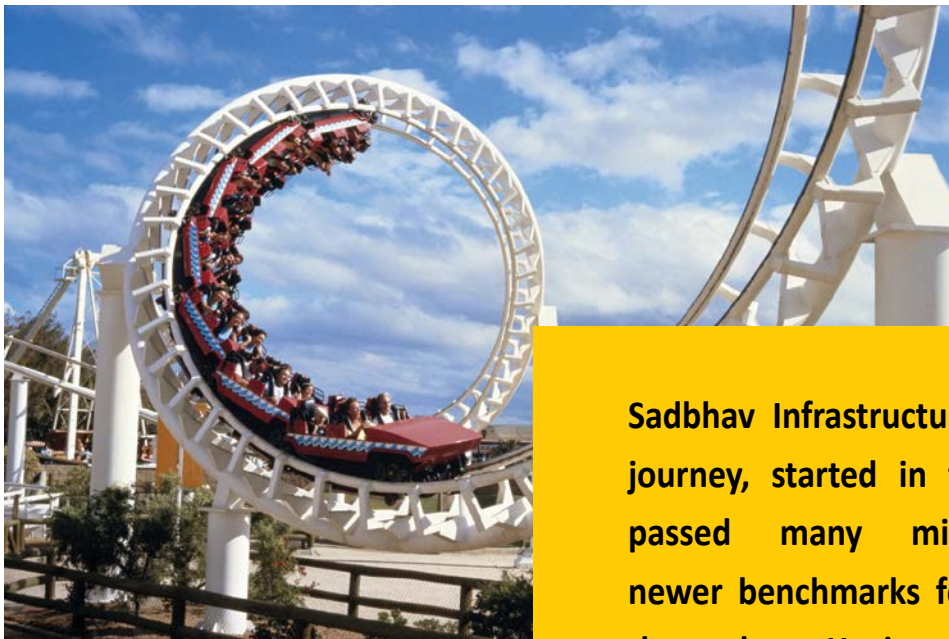
*Connecting Nation
with Global Technology*

**SADBHAV INFRASTRUCTURE
PROJECT LIMITED**


Sadbhav
TODAY FOR TOMORROW

***“Growth is a spiral process,
doubling back on itself,
reassessing and regrouping.”***

- Julia Margaret Cameron



Sadbhav Infrastructure Project Limited's journey, started in the year 2007 has passed many milestones, creating newer benchmarks for none other than themselves. Having enough experience, excellent expertise and exceptional engineering capabilities in their quiver, the company is poised to achieve greater success.

With perseverance, innovative operations and outstanding maintenance services, SIPL has become synonymous with quality and trust in the infrastructure sector.

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“Excellence is not a skill. It’s an attitude.”

- Ralph Marston

It is this attitude that has fuelled the growth of Sadbhav Infrastructure Project Limited (SIPL). Keeping abreast with the advancements in the industry has always been our core strategy and thus SIPL is backed by world class processes and practices. The strength of SIPL’s astounding success lies with its penchant for technology. Today, the company is providing international standards and global technological breakthroughs to the Indian infrastructure industry. In a bid to become global leader, SIPL has put maximum thrust on evolving through innovation.

The company’s adherence to quality and capabilities for global competency is clearly reflected in its projects. Blending quality and innovation, SIPL is committed to strengthen the economic growth of India by developing the desired infrastructure for transport, trade and travel.

We work cohesively with all our associates, collaborators, customers as well as stakeholders building firm relationships based on understanding and mutual cooperation to assure them that we will keep our flame of innovation and excellence burning and will endeavour to make it shine more brightly.

Corporate Information

*“ If you want **SUCCESS** then you must first have a **DREAM** because a dream transforms into a **THOUGHT** and the thought results in **ACTION**. ”*



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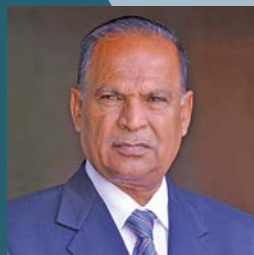
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BOARD OF DIRECTORS

1. **Mr. Vishnubhai M. Patel**
Chairman and
Non-Executive Director
2. **Mr. Shashin V. Patel**
Non-Executive Director
3. **Mr. Vasistha C. Patel**
Managing Director
4. **Mr. Nitin R. Patel**
Non-Executive Director
5. **Mr. Sandip V. Patel**
Independent Director
6. **Mr. Mirat N. Bhadlawala**
Independent Director
7. **Mr. Arun S. Patel**
Independent Director
8. **Mr. Atul N. Ruparel**
Independent Director
9. **Mrs. Daksha N. Shah**
Independent Director
10. **Dr. Jagdish Joshapura**
Independent Director
(w.e.f. 13-04-2015)

COMPANY SECRETARY

Mr. Hardik Modi
(w.e.f. 08-07-2016)

CHIEF FINANCIAL OFFICER

Mr. Varun Mehta

STATUTORY AUDITORS

Manubhai & Shah LLP
S R B C & CO LLP

People are the ‘Backbone’ of our success !

SIPL's definition of growth is correlated with its people. When it comes to plotting strategic thrusts and directions, anticipating trends and threats, blueprinting future roadmaps and milestones and synergizing required capacities and capabilities, our experts stay strong on the front of making decisions and taking actions. The company also endeavours constantly for the welfare and safety of its people employing rigorous safety policies in practice which are maintained, updated and strictly followed. The enthusiasm, commitment and perseverance of our people, propel the company to challenge the limits and conquer new summits of success.



BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Sandip V. Patel
Chairman

Mr. Arun S. Patel
Member

Mr. Nitin R. Patel
Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Atul N. Ruparel
Chairman

Mr. Mirat N. Bhadlawala
Member

Mr. Vishnubhai M. Patel
Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Nitin R. Patel
Chairman

Mr. Vasistha C. Patel
Member

Mr. Arun S. Patel
Member

Mr. Sandip V. Patel
Member

FINANCE AND INVESTMENT COMMITTEE

Mr. Vishnubhai M. Patel
Chairman

Mr. Vasistha C. Patel
Member

Mr. Nitin R. Patel
Member

Mr. Arun S. Patel
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Vasistha C. Patel
Chairman

Mr. Nitin R. Patel
Member

Mr. Sandip V. Patel
Member

Mr. Atul N. Ruparel
Member

RISK MANAGEMENT COMMITTEE

Mr. Vasistha C. Patel
Chairman

Mr. Nitin R. Patel
Member

Mr. Sandip V. Patel
Member

BANKERS

ICICI Bank
Indian Overseas Bank
Oriental Bank of Commerce
Punjab National Bank
Bank of India
HDFC Bank
Canara Bank
Dena Bank
Union Bank of India
Corporation Bank
Vijaya Bank

REGISTERED OFFICE

Sadbhav House,
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006.
Website : www.sadbhavinfra.co.in
CIN: L45202GJ2007PLC049808


CORPORATE OFFICE

"Sadbhav", Nr. Havmor Restaurant,
B/H. Navrangpura Bus Stand,
Navrangpura, Ahmedabad - 380009.

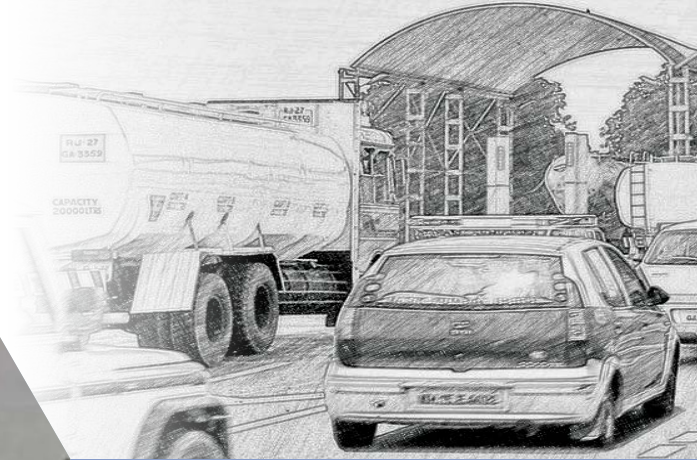
REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078.

"The fastest growing Indian economy has increased the demand for road infrastructure. Up-gradation of the National Highways from public funds alone are not sufficient. This has led the Government to take a policy decision to involve private sector for the development of National Highway on Build-operate-transfer (BOT)."



Chairman's Message



Dear Shareholders,

I am very much delighted to present the first financial report of your company, post the listing of your company on BSE and NSE w.e.f. 16th September, 2015. At the onset, I would like to thank each and every shareholder of our Company who has shown utmost trust and confidence on the business model, its management and its business strategy. In a very challenging global environment, the IPO was over-subscribed by 2.327 times. Your company raised ₹ 4,250.0 million by way of primary issuance of shares and ₹ 666.6 million by way of offer for sale (OFS) by Selling Shareholders. Your company is the first roads and highways BOT Company in India to be listed on Indian stock exchanges.

“ Our vision is to continually deliver maximum value to all stakeholders and achieve and maintain a leadership position in the infrastructure development space through profitable, ethical and sustainable means only.”



Sadbhav Infrastructure Project Limited (SIPL), a subsidiary of Sadbhav Engineering Limited, endeavors' at all times, to achieve the highest performance standards in the industry and an unchallenged leadership position across all segments in which we operate. We have been entrusted with a considerable number of projects focusing on the development, operation and maintenance of highways, roads and other relative aspects. We have observed a flourishing growth and success rate since SIPL's incorporation. Your company contributes actively towards the society and environment in various measures. With an optimistic view to continue for many years, it gives me immense pleasure to present the financial report of your company for the year 2015-2016.

It is known that due to unrest in the global economic scenario, the organizations goals are not being realized in a complete manner. Though, the strengthened position of markets in India has brought a reform in the execution of national level policies. This has given the Indian infrastructural parameter a boom. It has led your company to hold some of the most important

contracts and projects simultaneously creating a value for its investors.

As a company with a focus on providing high – quality construction work, we are pre-qualified on an annual basis to bid either directly or through joint ventures for DBFOT projects of values up to ₹ 26,500 million by the NHAI. Structured with presence across the entire road sector value chain, we are involved in the development, operation and maintenance of national and state highways and roads in several states in India namely Maharashtra, Rajasthan, Gujarat, Karnataka, Telangana, Haryana, Madhya Pradesh and border check posts in the state of Maharashtra. All of our projects are implemented and held through special purpose vehicles (SPVs), including joint venture entities.

With our expanded and selectively diversified portfolio of BOT projects located in high growth states and important corridors, we currently have a portfolio of 11 BOT projects out of which 8 are fully operational, 1 is partially operational and remaining projects are under advanced stages of construction. We have 8 NHAI projects,



and the other 3 are from state authorities. Our operational projects cover approximately 2,207 lane kms with total project costs of ₹ 82,132.0 million and the projects under construction cover of 744 lane kms with the total project costs of ₹ 19,476.0 million. Your company has been declared L1 for 2 new HAM projects as on 31st March, 2016. As on 31st March 2016, our market capitalization stood at ₹ 35,926.9 million.

In addition to above, your Company has already signed SPA for acquisition of 74% stake in Mysore Bellary Highway Private Limited (MBHPL) from its parent company (Sadbhav Engineering Limited). During 2015-16, your company had completed the following activities to improve its financial position –

- Completion of acquisition of 47% stake in Dhule Palesner Tollway Limited thereby increasing its stake to 49% and SPA signed for balance 51% stake.
- Completion of acquisition of 20% stake in Ahmedabad Ring Road Infrastructure Limited thereby increasing its stake to 100% from 80%
- Sale of economic interest of 20% in Mumbai Nasik Expressway Limited to BIF India Holdings

Pte. Ltd. for ₹ 720 million and repayment of loans amounting to ₹ 174.72 million.

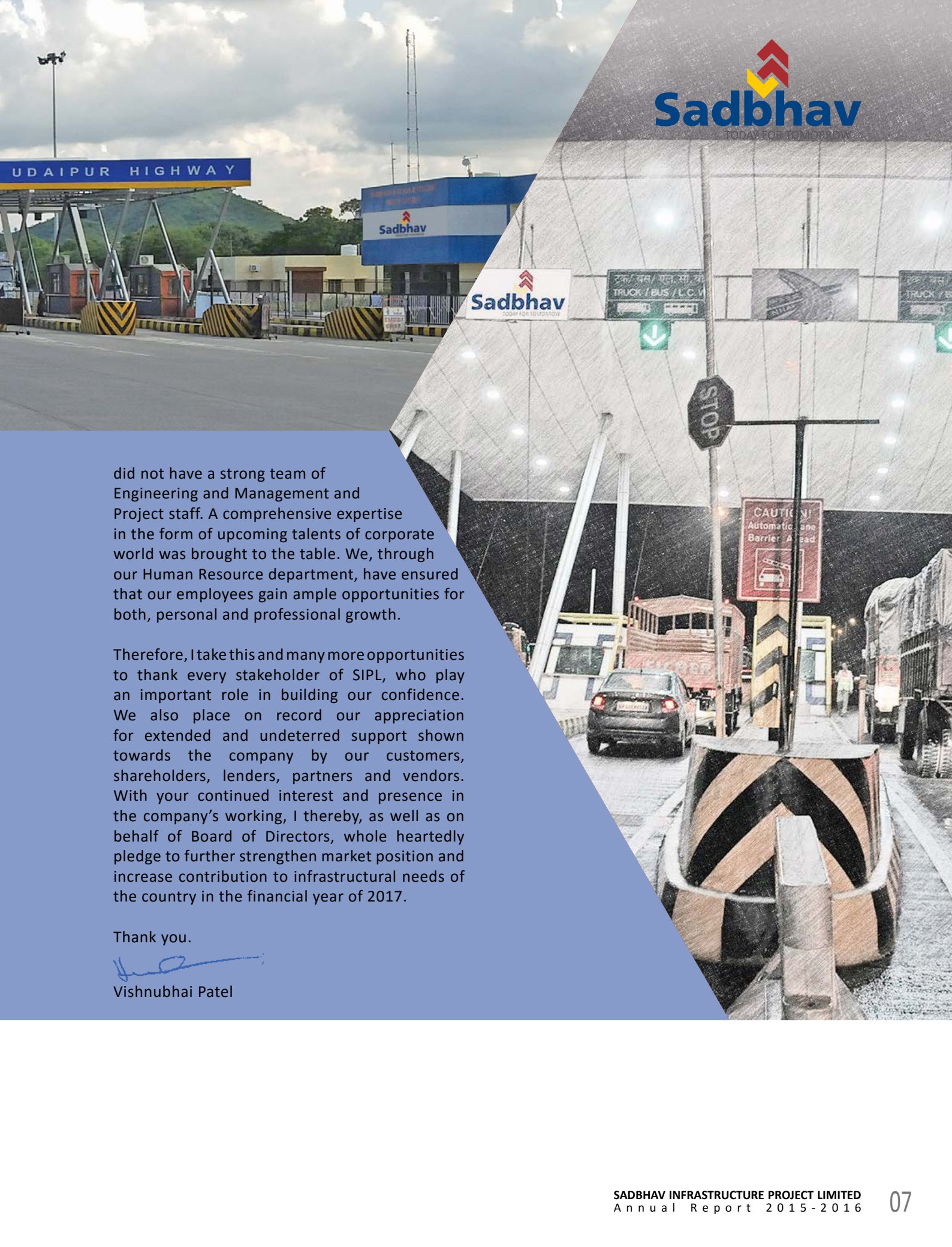
- Completion of refinancing of debt in Dhule Palesner Tollway Limited and Nagpur - Seoni Express Way Limited with a view to improve the position of the cash flow. Your company is currently in the process of refinancing its debt in other operational SPVs.

We generate revenues primarily from toll collection, user fee and annuity receipts. SIPL has a provision for advisory and project management services for all its projects. Hence, our consolidated total income from operations and standalone income from operations for financial year ended 31st March, 2016 stood at ₹ 7421.96 million and ₹ 857.97 million respectively. We possess a significant benefit from more than 25 years of experience of and relationships established by SEL (our corporate promoter) with its record execution of projects in the construction activities in the transport, mining and irrigation sectors.

I feel extremely privileged to announce that all of this would not have been possible if we, at SIPL,

***“ Roads remain the essential network of the non-virtual world.
They are the infrastructure upon which almost all other infrastructure depends.
They are the paths of human endeavor.”***

- Ted Conover



did not have a strong team of Engineering and Management and Project staff. A comprehensive expertise in the form of upcoming talents of corporate world was brought to the table. We, through our Human Resource department, have ensured that our employees gain ample opportunities for both, personal and professional growth.

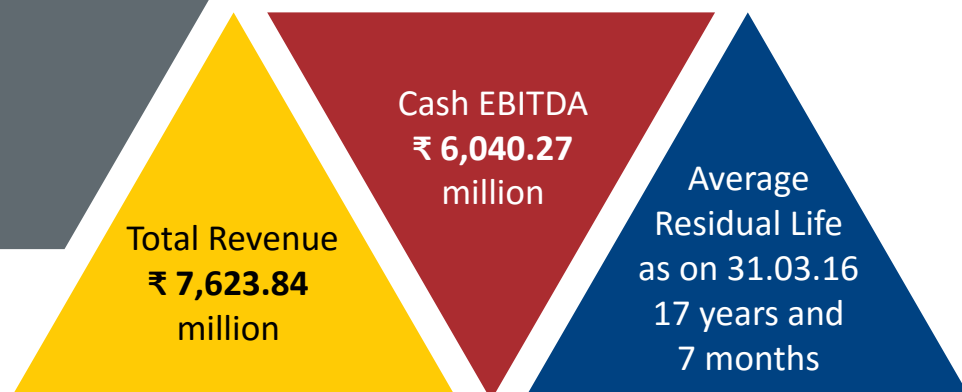
Therefore, I take this and many more opportunities to thank every stakeholder of SIPL, who play an important role in building our confidence. We also place on record our appreciation for extended and undeterred support shown towards the company by our customers, shareholders, lenders, partners and vendors. With your continued interest and presence in the company's working, I thereby, as well as on behalf of Board of Directors, whole heartedly pledge to further strengthen market position and increase contribution to infrastructural needs of the country in the financial year of 2017.

Thank you.



Vishnubhai Patel

2015-2016 Key Figures



Financial Highlights

(₹ in Million)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Turnover	857.97	701.07	911.75	899.22	739.11
Total Income	1263.53	1073.05	1158.32	1166.84	954.61
Earnings Before Depreciation, Interest and Tax (EBDIT)	796.94	427.67	561.21	382.14	430.25
Exceptional Item	616.00	-	-	-	-
Depreciation	0.66	1.29	1.14	1.29	0.55
Interest (Finance Cost)	1400.02	1037.52	526.77	214.22	42.45
Profit After Tax	10.38	-632.68	29.39	116.32	259.45
Equity Dividend %	-	-	-	-	-
Dividend Payout	-	-	-	-	-
Equity Share Capital	3522.25	3109.63	260.07	260.07	241.72
Reserves & Surplus	8935.98	5326.29	8036.00	8006.61	6659.71
Net worth	12458.23	8435.92	8318.58	8289.19	6923.94
Gross Fixed Assets	0.78	17.11	17.04	17.04	17.04
Net Fixed Assets	0.50	12.84	14.07	15.21	16.50
Total Assets	25019.01	22041.46	15924.83	12293.72	8855.20
Total Debt (Loan Fund)	11721.23	12763.55	6697.46	6740.05	1600.86
Earning Per Share (In ₹)	0.03	-2.04	1.13	4.66	10.73
Book Value Per Share (In ₹)	35.37	27.13	319.86	318.73	286.44
Weighted No. of Shares	333.91	309.70	26.01	24.96	24.17

Note:

1. Total Assets excluding Misc. Expenses.
2. EPS has been calculated on Weighted Average Shares & Book Value on Actual No. of Shares.
3. Total income means credit side of P&L after adjusting the Change in WIP.
4. EBDIT means PBT + Depreciation + Interest.
5. Total Debt includes interest.

Notice

NOTICE is hereby given that the 10th Annual General Meeting of **SADBHAV INFRASTRUCTURE PROJECT LIMITED** will be held on Wednesday, the 28th day of September, 2016 at 11:00 AM at Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt :
 - (a) the audited financial statement of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended 31st March, 2016.
2. To appoint a Director in place of Mr. Vishnubhai M. Patel (DIN: 00048287) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of the Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Company hereby ratifies the appointment of M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 106041W/W100136 and M/s. S R B C & CO LLP, Chartered Accountants having Firm Registration No. 324982E/E300003, as joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Eleven (11th) AGM of the Company to be held in 2017 at such remuneration as may be determined by the Board of Directors of the Company on recommendation of Audit Committee."

SPECIAL BUSINESS

4. Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rajendra Patel & Associates, Cost Accountants in Practice having Firm Reg. No. 101163 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17, amounting to ₹ 20,000/- per annum respectively plus service tax applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any one of the Director of the Company and/or Company Secretary be and are hereby severally authorized to take all such steps as may be necessary to implement this resolution."

5. To ratify / approve Related Party Transactions

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 of Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Meetings of Board and its Powers) Rules, 2014 and such other rules as may be applicable and amended from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Regulations"), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to ratify Related Party Transactions as defined under Section 188 of the Companies Act, 2013 with related party as mentioned in explanatory statement annexed to the notice which were executed prior to the applicability of Regulations and are still under execution by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to determine and finalize the terms & conditions related thereto from time to time and all other matters arising out of the incidental to the transactions and generally to do all acts, deeds, matters and things including variation in amount that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.”

6. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis

To consider and thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT in accordance with the provisions of Section 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and other applicable SEBI regulations and guidelines, issued, from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules, regulations and guidelines, approval of Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by the Resolution) for making offers or invitations to subscribe to Secured/Unsecured/ Redeemable Non-Convertible Debentures (“NCDs”) including but not limited to subordinated Debentures, bond, and/or other debt securities etc. on a private placement basis in one or more tranches during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the numbers of NCDs, tranches, issue price, tenor, interest rate, premium/discount, listing and to do all such acts, things, deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/ undertakings/agreements/papers/writings, as may be required in this regard.”

7. Increase in borrowing limits

To consider and thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT in supersession of the earlier resolution passed at the Extra Ordinary General Meeting of the Company held on 22nd October, 2014, pursuant to the provisions of Sections 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, the Company hereby accords its consent to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) borrowing any sum or sums of money, from time to time from any one or more other persons, firms, bodies corporate, or financial institutions from any other source in India or outside India whomsoever on such terms and conditions and with or without security as the Board of Directors may think fit which together with the moneys already borrowed by the Company will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, howsoever, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 2,000 Crores only (Rupees Two Thousand Crores only) exclusive of interest.

RESOLVED FURTHER THAT the Company be and is hereby authorized the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

8. Creation of charge on company’s properties

To consider and thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT in supersession of the earlier resolution passed at the Extra Ordinary General Meeting of the Company held on 22nd October, 2014, pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, the Company hereby accords its consent to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) of the Company, to mortgage, hypothecate, pledge and / or charge, in addition to the mortgage, hypothecate, pledge and / or charge already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and /or any other assets or properties, of the Company and / or the whole or part of any of the undertaking of the Company together with or without

the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully / partly Convertible Debentures and / or Secured / Unsecured Non- Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the limits approved or as may be approved by the shareholders under Section 180(1)(c) of the Act (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange etc.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

Date : August 31, 2016

Place : Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office :

“Sadbhav House”, Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006.
CIN : L45202GJ2007PLC049808

Hardik Modi

Company Secretary
Membership No.: A29346

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 4 to 8 above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under Item No. 2, pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
3. A route map giving directions to reach the venue of the 10th Annual General Meeting is annexed.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 days before the date of Meeting to enable Management to keep information ready.
6. Relevant documents referred to in accompanying Notice and Statement are open for inspection by members at Registered office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at venue of the meeting by members attending meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 22nd September, 2016 to Wednesday, 28th September, 2016 (both days inclusive).
9. Voting through electronic means
In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members

the facility to exercise their right to vote at the 10th Annual General Meeting ('AGM') by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Ltd. (CDSL). The members may cast their votes using an electronic voting system from place other than the venue of the Meeting ('remote e-voting'). In addition, the facility of voting through Ballot Paper shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

The procedure and instructions for voting through electronic means are as follows:

SECTION A - REMOTE E-VOTING PROCESS

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on attendance slip.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of Sadbhav Infrastructure Project Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and windows phone user can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

SECTION B - COMMENCEMENT OF REMOTE E-VOTING PERIOD AND OTHER REMOTE E-VOTING INSTRUCTIONS

- i. A member may exercise his/her vote at any general meeting by electronic means and the business may be transacted through such voting. Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- ii. The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. The e-voting period commences on Sunday, 25th September, 2016 (9:00 a.m. IST) and ends on Tuesday, 27th September, 2016 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 21st September, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evotingindia.com.
- vi. Mr. Ravi Kapoor, Practice Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (M. No.: FCS 2587; CP No: 2407) (Shaival Plaza, 4th Floor, Gujarat College Road, Ellisbridge, Ahmedabad-380006) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of Mr. Ravi Kapoor.
- vii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- viii. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.sadbhavinfra.co.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
- ix. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of requisite number of votes.
- x. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- xi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

10. Electronic copy of Annual Report 2015-16 is being sent to all the members whose email-ID are registered with the Company/ Depository Participant(s) for communication purposes unless any member has required for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015-16 is being sent in the permitted mode. Members may also note that the notice of the 10th Annual General Meeting and Annual Report for 2015-16 will also be available on the company's website www.sadbhavinfra.co.in for their download. The physical copies of the aforesaid documents will also be available at the registered office of the company on all working days between 12.00 noon to 2.00 p.m., except Saturday, Sunday and holidays.
11. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF): The provisions of Section 125(2) of the Act do not apply as there was no dividend declared and paid by the Company.

Details of Directors Seeking Re-Appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Vishnubhai M. Patel
Date of Birth	27th January, 1942
Date of Appointment	18th January, 2007
Disclosures of relationship between Directors inter-se	Mr. Shashin V. Patel is son of Mr. Vishnubhai M. Patel. Mr. Vasistha C. Patel is son-in-law of Mr. Vishnubhai M. Patel.
Functional Expertise	Mr. Vishnubhai M. Patel has decades of experience in Construction Industry and he is promoter and founder of Company. He has completed his education upto matriculation. Under the stewardship of Mr. Vishnubhai M. Patel the Sadbhav Group has achieved the sustained growth over the years.
Recognition or awards	He has been conferred the "Udyog Ratna Award" by the Institute of "Economic Studies of New Delhi for outstanding performance in the field of Industrial Development of our Country. He has been awarded the "Life Time Achievement Award" from Gujarat Contractors Association at Vibrant Summit & Awards-2016.
Directorship in other Companies	1. Sadbhav Engineering Limited 2. Sadbhav Quarry Works Private Limited 3. Nagpur - Seoni Express Way Limited 4. Hyderabad - Yadgiri Tollway Private Limited 5. Mysore - Bellary Highway Private Limited 6. Sadbhav Rudrapur Highway Private Limited 7. Sadbhav Nainital Highway Private Limited 8. Sadbhav Finstock Private Limited 9. Sadbhav Realty Private Limited
Chairman/ Member of Committee in other Companies	1. Mysore - Bellary Highway Private Limited
No. of Equity Shares held in the Company	12,13,374 - Equity Shares

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Rajendra Patel & Associates, Cost Accountant in Practice (Firm Reg. No. 101163), to conduct the audit of the cost records maintained by the Company for the financial year 2016-17, at their meeting held on 20th August, 2016.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2016-17 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5

Pursuant to the erstwhile equity listing agreements ("Listing Agreement") entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd. and applicable circulars and regulations issued by the Securities and Exchange Board of India ("SEBI"), any material related party transaction, i.e. a transaction to be entered into which individually or together with previous transactions in a given financial year with a related party exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company, requires the approval of the shareholders of the Company by way of a special resolution.

Subsequently, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Regulations") were notified on 2nd September, 2015, and became effective from 1st December 2015. Pursuant to Regulation 23 of the said Regulations, all existing material related party contracts or arrangements entered into prior to the date of notification of Regulations and which continue beyond such date shall be placed for approval/ratification of the shareholders in the first General Meeting subsequent to notification of these Regulations.

Your Company has some material related party transactions which are in existence and likely to continue in the financial year 2016-17 or beyond for which your approval is required as per SEBI (LODR) Regulations, 2015.

The details of said Related Party Transactions are given here in below:

Sr. No.	Name of Related Party	Relationship	Nature of Transactions	Amount (₹ in Million)
1	Sadbhav Engineering Limited	Holding Company	Providing financial facilities as per MOU dated 20/12/2014	10000.00
2	Maharashtra Border Check Post Network Ltd.	Subsidiary Company	Unsecured Loan Given	1856.70

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in item No. 5 to the accompanying Notice as an ordinary resolution.

None of Director, key managerial personnel (KMP) and their relatives, is concerned or interested in the said resolution except to the extent of their directorship and shareholding in the holding and subsidiary Company.

Item No. 6

As per provisions of Section 42, 71 and 179 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for "non-convertible debentures", it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offer(s) or invitation(s) for such debentures during the year.

Accordingly, the Shareholders of the Company had passed a Special Resolution at the last (9th) Annual General Meeting (AGM) of the Company held on 28th December, 2015, to raise funds through Private Placement of Secured/Unsecured Non-Convertible and/ or other Debt Securities by way of issue of secured/ unsecured non-convertible debentures of the Company, in one or more tranches, to such person or persons, who may or may not be the debenture holders of the Company, within the overall market borrowing programme of the Company. However, the above approval of shareholders is valid only upto 27th December, 2016. In order to facilitate raising of funds thereafter and in line with the aforesaid statutory provisions, it is necessary to pass a Special Resolution at this Annual General Meeting for raising of funds through private placement of secured/unsecured non-convertible debentures and / or other Debt Securities during a period of one year from the date of passing of this resolution.

Further, the Board of Directors of the Company (the "Board") or any Committee duly constituted by the Board or such other authority as may be approved by the Board, shall be authorized to determine the terms of the issue, including the class of investors to whom the debentures are to be allotted, the number of debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer documents and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force.

The Board of Directors recommends the resolution mentioned in Item no.6 for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution.

Item No. 7 & 8

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 read with applicable rules framed thereunder, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, dispose of its property (including creation of charge on assets of the Company) and borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves (reserves not set apart for any specific purpose). At the Extra Ordinary General Meeting of the Company held on 22nd October, 2014, the shareholders had accorded consent to the Board of Directors borrowing any sum or sums of money outstanding at any point of time, not exceeding the sum of ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores only). At the same Extra Ordinary General Meeting of the Company, the shareholders had accorded consent to the Board of Directors for creation of charges etc. to secure aforesaid borrowings.

Considering the Company's future growth plans and requirements of additional funds for operation, modernization, it is proposed to increase the above borrowing limits from the existing ₹ 1,500 crores to an amount not exceeding at any time a limit of ₹ 2,000 crores (Rupees Two Thousand Crores only).

The proposed borrowings by the Company, if required, is to be secured by mortgage or charge on all or any of the movable or immovable or any other tangible and intangible assets / properties of the Company (both present & future), in favour of any lender including the financial institutions / banks / debenture trustees etc. in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and / or charge on any of the movable and / or immovable or any other tangible and intangible assets / properties and / or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The resolutions contained in item no. 7 & 8 of the accompanying Notice, accordingly, seek members' approval for increasing the borrowing limits and disposal of the Company's undertaking(s) by creation of mortgage / charge etc. thereon and for authorizing the Board of Directors (including a Committee thereof authorized for the purpose) of the Company to complete all the formalities in connection with the increase in the borrowing limits and creating charge on Company's properties, respectively.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested in the proposed resolutions.

The Board recommends the resolutions set forth in the Item Nos. 7 & 8 of the Notice for approval of the members.

Date : August 31, 2016
Place : Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office :
"Sadbhav House", Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380 006.
CIN : L45202GJ2007PLC049808

Hardik Modi
Company Secretary
Membership No.: A29346

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the 10th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

The Group's financial performance for the year under review along with previous year's figures are given hereunder:

(₹ in Million)

Particulars	2015 - 2016	2014 - 2015
Revenue from Operations	7421.96	5106.46
Other Income	201.88	285.88
Total Revenue	7623.84	5392.34
Profit Before Taxation	(2831.71)	(3433.91)
Less: Provision for Taxation		
1. Current Tax	1.77	-
2. MAT Credit entitlement	-	-
3. Deferred Tax	-	0.22
4. Earlier Years' Tax	(96.33)	21.35
(Loss) after tax for the year before share of losses of minority interest	(2737.15)	(3,455.48)
Less: Share of (Loss) attributable to Minority Interest	(131.25)	(302.09)
Add: Share of (Loss) of Minority Interest of Earlier Years	0.00	(279.63)
(Loss) for the year after minority interest	(2605.90)	(3,433.02)
Add: Balance in Statement of Profit and Loss	(4847.54)	(1305.31)
Add: Transfer to Debenture Redemption Reserve during the year	0.00	(109.21)
Total	(7453.44)	(4847.54)
Making Total amount available for appropriation which has been appropriated as follows:		
1. Proposed Dividend	-	-
2. Corporate Dividend Tax	-	-
3. General Reserve	-	-
4. Balance at the end of the year	(7453.44)	(4847.54)

DIVIDEND

Due to inadequacy of profit, your directors do not recommend any dividend to the members of the Company for the year 2015-16.

RESERVES

Company does not propose to carry any amount to any Reserve Account.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The total Income during the year has increased from ₹ 5392.34 Million to ₹ 7623.84 Million i.e. approx. 41.38% over the last year. The Loss before Tax has decreased from ₹ 3433.91 Million to ₹ 2831.71 Million i.e. approx. 17.54% over the previous year. Your directors are hopeful to get better results in the coming year.

INITIAL PUBLIC OFFERING

During the financial year 2015-16, your Company entered into the Capital Market with Initial Public Offer (IPO) of 4,12,62,135 equity shares of ₹ 10/- each at a premium of ₹ 93/- per share. Your Company's shares were listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 16th September, 2015. The existing investors Xander Investment Holding XVII Limited and Norwest Venture Partners VII-A-Mauritius offered 32,35,762 equity shares each as offer for sale along with initial public offering. Pursuant to the said initial public offer, Company's shares are now listed at National Stock Exchange of India Limited and BSE Limited.

The issue was over subscribed by 2.327 times. Your Directors take this opportunity to thank all the investors for their overwhelming response to the IPO and the confidence reposed by them.

UTILIZATION OF PROCEEDS OF IPO

The statement of projected utilization of the IPO proceeds as per Prospectus against actual utilization as on 31st March, 2016 is as follows:

(₹ in Million)

Sr. No.	Particulars	Objects of the issue as per Prospectus	Total utilization upto 31st March, 2016
1	Repayment of rupee loan facility from ICICI Bank Limited	1,800.00	1,800.00
2	Part repayment of unsecured loans from Sadbhav Engineering Limited, corporate promoter	848.40	848.40
3	Advancing of Subordinate Debt to Subsidiary, Shreenathji Udaipur Tollway Private Limited	820.00	820.00
4	General Corporate Purposes	541.15	541.15
5	Fresh issue related expenses (only those apportioned to the Company)*	240.45	*240.45
	Total	4,250.00	4,250.00

* Includes surplus of ₹ 2.38 million arising after meeting issue related expenses, which have been utilised towards general corporate purposes.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There are no material changes in the nature of business during the year.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitment affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report. However, Company in the ordinary course of business has been awarded 4 new projects by NHAI. Company has also acquired 100 % equity in Dhule Palesner Tollway Limited (DPTL) on account of which DPTL has become wholly owned subsidiary of the Company. The transfer formalities for shares of DPTL were in process as at 31st March, 2016. However, as at the date of this report, 100 Shares each of Sadbhav Engineering Limited, John Laing Investment Limited and Hindustan Construction Company Limited are pending for transfer due to pending approval from NHAI.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to Section 134 of the Act. During the year, the Company has constituted a Risk Management Committee as a measure of good governance. The Committee reviews the key risks, mitigation plans and progress of the risk management process at periodic intervals.

Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage. It also describes the risk management approach across the enterprise at various levels.

Major risks identified by the business and functions are systematically addressed through mitigation actions on a periodic basis. Existing control measures are evaluated against the relevant Key Performance Indicators.

The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status. These procedures are periodically reviewed to ensure that the executive management monitors and controls risks.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has strong Internal Controls and Management systems. These systems enable the Company to comply with Internal Company policies, procedures, standard guidelines and local laws to help to protect Company's Assets and Confidential information against financial losses and unauthorized use. Further, Company has appointed Internal Auditor and based on findings of internal audit report, the company further took action to strengthen control measures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Changes in Directors and Key Managerial Personnel

Pursuant to Section 152 of the Companies Act, 2013, Mr. Vishnubhai M. Patel (DIN: 00048287) Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Dr. Jagdish Joshipura has been appointed as an Additional Director on the Board of the Company w.e.f 13th April, 2015. There being no other changes in directorship during the year under review.

Mr. Gaurav Vesasi has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 31st May, 2016.

Mr. Hardik Modi has been appointed as Company Secretary and Compliance officer of the Company w.e.f. 8th July, 2016.

There were no other changes in Key Managerial Personnel during the year.

ii) Declaration by an Independent Director(s)

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

iii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

iv) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1) (b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

v) Annual Evaluation of Board Performance and Performance of its Committees and of Directors

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company and will be available to investors seeking information at any time.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Policy, as approved by the Board, is uploaded on the Company's website.

The consolidated financial results reflect the operations of the following subsidiaries.

Name	CIN / GLN	Address of the Company	Subsidiary
Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Aurangabad-Jalna Tollway Limited	U45203GJ2007PLC049814	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Bijapur Hungund Tollway Private Limited	U45203GJ2010PTC059669	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Bhilwara-Rajsamand Tollway Private Limited	U45203GJ2012PTC072902	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Dhule Palesner Tollway Limited *	U45203MH2009PLC191222	701, 7th Floor, "C" Wing, Godrej Coliseum, B/h Everard Nagar, Sion (East) Mumbai - 400022.	Subsidiary Company
Hyderabad Yadgiri Tollway Private Limited	U45203GJ2010PTC059262	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Nagpur-Seoni Expressway Limited	U45203GJ2007PLC049963	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Rohtak Hissar Tollway Private Limited	U45203GJ2013PTC074446	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Rohtak Panipat Tollway Private Limited	U45202GJ2010PTC059322	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company
Shreenathji-Udaipur Tollway Private Limited	U45201GJ2012PTC069676	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006.	Subsidiary Company

* During the year 2015-2016, Company has acquired 100% stake in Dhule Palesner Tollway Limited from HCC Concessions Limited, John Laing Investments Limited, John Laing Investments Mauritius (No.1) Limited and Sadbhav Engineering Limited. The transfer formalities for 2,10,46,680 shares from HCC and 1,40,31,020 shares from Sadbhav Engineering Limited were in process as at 31st March, 2016. However, as at the date of this report, 100 Shares each of Sadbhav Engineering Limited, John Laing Investment Limited and Hindustan Construction Company Limited are pending for transfer due to pending approval from NHAI.

** Sadbhav Nainital Highway Private Limited, Sadbhav Rudrapur Highway Private Limited were incorporated as wholly owned subsidiary of the company on 1st May, 2016. Sadbhav Bhavnagar Highway Private Limited was incorporated as wholly owned subsidiary of the company on 20th June, 2016. Sadbhav Una Highway Private Limited was incorporated as wholly owned subsidiary of the company on 22nd June, 2016. These four wholly owned subsidiaries were incorporated with an object to execute highway projects as per the concessions agreements signed with NHAI.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 attached as **Annexure - 1** which forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The provisions of Section 186 of the Companies Act, 2013, with respect to loan, guarantee or security is not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

IND AS

Your company and its subsidiaries has adopted IND AS with effect from 1st April, 2016 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015.

FIXED DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March, 2016, there were no deposits which were unpaid or unclaimed and due for repayment.

INSURANCE

All properties and insurable interests of the company to the extent required have been adequately insured.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were at arm's length basis. A detailed report on material contracts and arrangements made during the year 2015-16, being arm's length transactions have been reported and annexed hereto in form AOC-2 as **Annexure-2** and forms part of this report.

There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

NOMINATION AND REMUNERATION POLICY

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered following factors while formulating Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

Details of the Remuneration Policy are given in the Corporate Governance Report.

NUMBER OF MEETINGS OF THE BOARD

During the year, Seven (7) board meetings were convened and held. Details of board meetings and committee meetings are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The provisions of Section 125(2) of the Act do not apply as there was no dividend declared and paid by the Company.

CORPORATE SOCIAL RESPONSIBILITY

CSR is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in utmost transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives. This policy has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed thereunder to undertake CSR activities.

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Vasistha C. Patel as Chairman and Mr. Nitin R. Patel, Mr. Sandip V. Patel, and Mr. Atul N. Ruparel as Members of the Committee.

The responsibilities of the CSR Committee include:

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- ii. Recommending the amount of expenditure for the CSR activities.
- iii. Monitoring CSR activities from time to time.

In view of the net average loss of ₹ 144.61 Million under review, your Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Act. Accordingly, the details of the CSR activities during the year under review are not provided in this Report. The Report on CSR activities is attached as **Annexure - 3**.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2015-16.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of the following members

1. Mr. Sandip V. Patel - Independent Director - Chairman
2. Mr. Arun S. Patel - Independent Director - Member
3. Mr. Nitin R. Patel - Non Executive Director - Member

The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. Details of meeting of audit committee are provided in corporate governance report.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also uploaded on the Company's website at the web link: <http://www.sadbhavinfra.co.in/en/pdf/familiarization-programme-2015-16.pdf>

AUDITORS

(i) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Manubhai & Shah LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 106041W/W100136 was appointed as Joint Statutory Auditors of the Company from conclusion of the 8th Annual General Meeting (AGM) of the Company held on 5th September, 2014 till the conclusion of the 12th AGM to be held in the year 2018 subject to ratification of their appointment at every AGM.

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. S R B C & CO LLP, Chartered Accountants having Firm Registration No. 324982E/E00003 was appointed as Joint Statutory Auditors of the Company from conclusion of the 8th Annual General Meeting (AGM) of the Company held on 5th September, 2014 till the conclusion of the 13th AGM to be held in the year 2019 subject to ratification of their appointment at every AGM.

Members are requested to consider the ratification of the appointment of M/s. Manubhai & Shah LLP and M/s. S R B C & CO LLP and authorize the Board of Directors to fix their remuneration. Both the auditors have submitted a certificate, confirming that their appointment, if ratified, will be in accordance with Section 139 read with Section 141 of the Act.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

(ii) Cost Auditors

Mr. Jitendra Soni, Cost Accountants resigned as Cost Auditor due to his pre-occupation. The company has received a letter from the cost auditors M/s. Rajendra Patel & Associates, Cost Accountants in Practice having Firm Reg. No. 101163 to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment. The Cost Audit Report for the year 2014-15 was filed before the due date with the Ministry of Corporate Affairs.

The Board of Directors of the company on recommendation of Audit committee has appointed M/s. Rajendra Patel & Associates, Cost Accountants as the cost auditors of the Company to conduct the audit of cost records maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time. The members are requested to ratify the remuneration to be paid to the cost auditors of the company.

(iii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Ashish Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2016. The Secretarial Audit Report is annexed as **Annexure - 4**.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed as **Annexure - 5**.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. The Managing Director of the Company has not received any commission from the Company and not disqualified from receiving any remuneration or commission from any of subsidiaries of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding conservation of energy and technology absorption pursuant to 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

Information and details regarding foreign exchange earnings and outgo are as under:

Foreign Exchange Earning : ₹ NIL

Foreign Exchange Outgo : ₹ 432.21 Million

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as **Annexure - 6** to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available at the registered office of the Company during working hours, pursuant to the provisions of the first proviso to Section 136(1) of the Act and any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request.

ACKNOWLEDGMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Date : August 20, 2016
Place : Ahmedabad

Vishnubhai M. Patel
Chairman
(DIN: 00048287)

Annexure - 1

FORM AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures

Part "A": Subsidiaries

(₹ in Million)

Name of the Subsidiary Company	Nagpur-Seoni Expressway Ltd.	Ahmedabad Ring Road Infrastructure Ltd.	Aurangabad-Jalna Tollway Ltd.	Rohtak-Panipat Tollway Pvt. Ltd.	Hyderabad-Yadgiri Tollway Pvt. Ltd.	Bijapur-Hungund Tollway Pvt. Ltd.	Maharashtra Border Check Post Network Ltd.	Shreenathji-Udaipur Tollway Pvt. Ltd.	Bhilwara-Rajsamand Tollway Pvt. Ltd.	Rohtak-Hissar Tollway Pvt. Ltd.	Dhule Palesner Tollway Limited	Total
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	
Share Capital	480.00	104.60	19.71	21.86	32.47	1009.60	0.50	337.43	173.40	107.68	687.80	2975.05
Reserves & Surplus	(597.66)	201.55	(299.56)	(2100.89)	(711.59)	1069.33	(1339.09)	(172.36)	2424.65	1738.56	(3190.74)	(2977.80)
Total Assets	3090.71	3978.78	2467.38	29513.61	8909.16	12126.35	14180.05	21480.26	6688.56	12139.17	12794.18	127368.21
Total Liabilities (excluding Share Capital and Reserves & Surplus)	3208.37	3672.63	2747.23	31592.64	9588.28	10047.42	15518.64	21315.19	4090.51	10292.93	15297.12	127370.96
Investments	120.03	68.61	11.17	1.03	3.43	0.94	0.00	2.11	18.58	17.82	13.64	257.36
Turnover	383.96	931.86	419.64	805.00	543.35	1147.65	1568.57	288.60	0.00	0.00	1501.24	7589.87
Profit / (Loss) Before Taxation	(176.57)	16.41	(213.47)	(1126.03)	(208.15)	(386.55)	(194.17)	(165.06)	(0.05)	(0.51)	(705.28)	(3159.43)
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for Taxation	0.00	83.70	12.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96.44
Profit / (Loss) After Taxation	(176.57)	100.71	(200.73)	(1126.03)	(208.15)	(386.55)	(194.17)	(165.06)	(0.05)	(0.51)	(705.28)	(3062.39)
Proposed Dividend	0	0	0	0	0	0	0	0	0	0	0	0.00
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	77.00%	77.92%	100.00%	100.00%	100.00%	49.00%	

Figures in bracket show negative figures.

Notes:-

- Name of Subsidiaries which are yet to commence operations
i. SADBHAV NAINITAL HIGHWAY PRIVATE LIMITED
ii. SADBHAV RUDRAPUR HIGHWAY PRIVATE LIMITED
iii. SADBHAV UNA HIGHWAY PRIVATE LIMITED
iv. SADBHAV BHAVNAGAR HIGHWAY PRIVATE LIMITED

- Name of Subsidiaries which have been liquidated or sold during the year: N.A.
- Part B of the Annexure is not applicable as there are no associate companies/joint ventures of the Company as on 31st March, 2016.

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha C. Patel Managing Director
DIN : 00048324
Mr. Vishnubhai M. Patel Director
DIN : 00048287
Mr. Hardik Modi Company Secretary

Mr. Varun Mehta Chief Financial Officer
Date : August 20, 2016
Place : Ahmedabad

Annexure - 2

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts / arrangements / transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:.
- (e) Justification for entering into such contracts or arrangements or transactions:
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: (₹ in Million)	Date(s) of approval by the Board	Amount Paid/ Received in advance
1	Sadbhav Engineering Limited	Holding Company	Financial facilities as per MOU dated 20.12.2014	Facility is repayable by borrower on demand / call notice from lenders	4968.26	N.A.	NIL
2	Sadbhav Engineering Limited	Holding Company	As per loan agreement dated 20.10.2014	Remain valid for 11 years from the Agreement date	5009.69	N.A.	NIL
3	Bhilwara-Rajsamand Tollway Private Limited	Subsidiary	Unsecured Loan given as per MOU dated 22.11.2014	Continue to remain valid till the time same is terminated by a notice of the said effect given by either party to the other	1212.63	N.A	NIL
4	Rohtak-Hissar Tollway Private Limited	Subsidiary	Unsecured Loan given as per MOU dated 22.11.2014	Continue to remain valid till the time same is terminated by a notice of the said effect given by either party to the other	1031.20	N.A	NIL

Note: All above transactions have been entered in the ordinary course of business and arm's length basis, hence approval of Board is not required under section 188 of the Companies Act, 2013.

For, Sadbhav Infrastructure Project Limited

Mr. Vishnubhai M. Patel

Chairman

DIN: 00048287

Annexure - 3 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Company recognizes that as a responsible corporate entity its functions and operations have an impact on society and on the environment. In addition to ensuring that operations are conducted efficiently and in a manner that meets governmental environmental standards, the Company is committed in ensuring that the communities where it operates also benefits and develops together.

Company with an intention to actively participate in the development of the communities where projects are located, which contributes to social and political stability in the areas where it operates. The CSR Policy is uploaded on <http://www.sadbhavinfra.co.in/en/pdf/corporate-social-responsibility-policy.pdf>

2. The Composition of the CSR Committee:

Mr. Vasistha Patel - Chairman
Mr. Nitin Patel - Member
Mr. Sandip Patel - Member
Mr. Atul Ruparel - Member

3. Average net profit of the company for last three financial years:

The Company has incurred average net loss of ₹ 144.61 Million during the last three financial years as under:

Year	Profit / Loss before tax (Amount in Million)
2012-13	166.61
2013-14	10.69
2014-15	611.14

Average net profit of previous 3 years ₹ (-) 144.61 Million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): The Company is not required to spend in view of average net loss during the last three financial years.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: NIL (2015-16)

(b) Amount unspent, if any: N.A.

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where project or programs were undertaken	Amount Outlay (budget) Project or Program wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on project or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency	Details of implementing agency if engaged
1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: N.A.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: The CSR Committee confirms that the implementation and monitoring CSR Policy is in compliance with CSR objectives and policy of the company.

For, Sadbhav Infrastructure Project Limited

Mr. Vasistha C. Patel
Chairman of CSR Committee and Managing Director
DIN: 00048324

Mr. Vishnubhai M. Patel
Director
DIN: 00048287

Annexure - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sadbhav Infrastructure Project Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadbhav Infrastructure Project Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Sadbhav Infrastructure Project Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sadbhav Infrastructure Project Limited ("the Company") for the financial year ended on 31st March, 2016 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till 15th May, 2015 and post 15th May, 2015 The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. The listing agreement/provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable to the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For, Ashish Shah & Associates

Ashish Shah

Company Secretary in practice
FCS No.: 5974 • CP No.: 4178

Place : Ahmedabad
Date : May 30, 2016

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure - A

To,
The Members,
Sadbhav Infrastructure Project Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Ashish Shah & Associates

Ashish Shah

Company Secretary in practice
FCS No.: 5974 • CP No.: 4178

Place : Ahmedabad
Date : May 30, 2016

Annexure - 5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016 of

Sadbhav Infrastructure Project Limited

[Pursuant to Section 92(3) of the Companies Act, 2013 & Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN :	L45202GJ2007PLC049808																							
	Foreign Company Registration Number/GLN	Not Applicable																							
ii)	Registration Date [DD/MM/YY]	18/01/2007																							
iii)	Name of the Company	Sadbhav Infrastructure Project Limited																							
iv)	Category of the Company [Pl. tick]	<input checked="" type="checkbox"/> Public Company <input type="checkbox"/> Private Company																							
v)	Sub Category of the Company [Please tick whichever are applicable]	<table border="1"> <tr><td>1. Government Company</td><td></td></tr> <tr><td>2. Small Company</td><td></td></tr> <tr><td>3. One Person Company</td><td></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td></td></tr> <tr><td>5. NBFC</td><td></td></tr> <tr><td>6. Guarantee Company</td><td></td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td></td></tr> <tr><td>9. Company having share capital</td><td></td></tr> <tr><td>10. Company not having share capital</td><td></td></tr> <tr><td>11. Company Registered under Sec. 8</td><td></td></tr> </table>		1. Government Company		2. Small Company		3. One Person Company		4. Subsidiary of Foreign Company		5. NBFC		6. Guarantee Company		7. Limited by shares	<input checked="" type="checkbox"/>	8. Unlimited Company		9. Company having share capital		10. Company not having share capital		11. Company Registered under Sec. 8	
1. Government Company																									
2. Small Company																									
3. One Person Company																									
4. Subsidiary of Foreign Company																									
5. NBFC																									
6. Guarantee Company																									
7. Limited by shares	<input checked="" type="checkbox"/>																								
8. Unlimited Company																									
9. Company having share capital																									
10. Company not having share capital																									
11. Company Registered under Sec. 8																									
vii)	Name and Registered Office Address of Company and Contact Details:																								
	Address	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge																							
	Town / City	Ahmedabad																							
	State	Gujarat																							
	Pin Code	380006																							
	Country Name	India																							
	Country Code	91																							
	Telephone (with STD Area Code no)	079-26463384																							
	Fax Number	079-26400210																							
	Email Address	Hardik.modi@sadbhav.co.in																							
	Website	www.sadbhavinfra.co.in																							
	Name of the Police Station having jurisdiction where the registered office is situated	Ellisbridge Police Station																							
	Address for correspondence, if different from address of registered office:	"Sadbhav", Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380009																							
viii)	Whether shares listed on recognized Stock Exchange(s)	Yes																							
	If yes, details of stock exchanges where shares are listed	<table border="1"> <tr> <th>SN</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> <tr> <td>1.</td> <td>BSE Limited</td> <td>539346</td> </tr> <tr> <td>2.</td> <td>National Stock Exchange of India Limited</td> <td>SADBHN</td> </tr> </table>		SN	Stock Exchange Name	Code	1.	BSE Limited	539346	2.	National Stock Exchange of India Limited	SADBHN													
SN	Stock Exchange Name	Code																							
1.	BSE Limited	539346																							
2.	National Stock Exchange of India Limited	SADBHN																							
vii)	Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given:																								
	Registrar & Transfer Agents (RTA)	Link Intime India Private Limited																							
	Address	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West)																							
	Town / City	Mumbai																							
	State	Maharashtra																							
	Pin Code	400 078																							
	Telephone (with STD Area Code Number)	022 - 25946970																							
	Fax Number	022 - 2594 6969																							
	Email Address	rnt.helpdesk@linkintime.co.in																							

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No. of Companies for which information is being filled - 12

Sr. No.	Name of the Company	CIN/GLN	Address of the Company	Holding/ Subsidiary/ Associates	% of Shares Held	Applicable Section
1	Aurangabad-Jalna Tollway Limited	U45203GJ2007PLC049814	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
2	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
3	Bijapur Hungund Tollway Private Limited	U45203GJ2010PTC059669	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	77	2(87)
4	Bhilwara-Rajsamand Tollway Private Limited	U45203GJ2012PTC072902	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
5	Dhule Palesner Tollway Limited	U45203MH2009PLC191222	701,7th Floor,"C" Wing, Godrej Coliseum,B/h Everard Nagar, Sion (East), Mumbai-400022	Subsidiary Company	100	2(87)
6	Hyderabad Yadgiri Tollway Private Limited	U45203GJ2010PTC059262	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
7	Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	78	2(87)
8	Nagpur-Seoni Expressway Limited	U45203GJ2007PLC049963	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
9	Rohtak Hissar Tollway Private Limited	U45203GJ2013PTC074446	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
10	Rohtak Panipat Tollway Private Limited	U45202GJ2010PTC059322	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)
11	Sadbhav Engineering Limited	L45400GJ1988PLC011322	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Holding Company	NIL	2(46)
12	Shreenathji-Udaipur Tollway Private Limited	U45201GJ2012PTC069676	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	Subsidiary Company	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	2134220	-	2134220	0.69	2220794	-	2220794	0.63	(0.06)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	240733427	-	240733427	77.42	240733427	-	240733427	68.35	(9.07)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Sub-total (A)(1):-	242867647	-	242867647	78.10	242954221	-	242954221	68.98	(9.12)
(2) Foreign									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	242867647	-	242867647	78.10	242954221	-	242954221	68.98	(9.12)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	17146749	-	17146749	4.87	4.87
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	-	-	-	-	18881388	-	18881388	5.36	5.36
Sub-total (B)(1):-	-	-	-	-	36028137	-	36028137	10.23	10.23
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	8388067	-	8388067	2.38	2.38
ii) Overseas	64715244	-	64715244	20.81	58243720	-	58243720	16.53	(4.28)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	26000	10	26010	0.01	1808545	13	1808558	0.51	0.50
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3332180	22000	3354180	0.95	4501744	-	4501744	1.28	0.33
c) Others (specify)	-	-	-	-	-	-	-	-	-
Hindu Undivided Family	-	-	-	-	199360	-	199360	0.06	0.06
NRI (Non Repat)	-	-	-	-	6510	-	6510	0.00	0.00
NRI (Repat)	-	-	-	-	10129	-	10129	0.00	0.00
Clearing Member	-	-	-	-	84770	-	84770	0.02	0.02
Sub-total (B)(2):-	68073424	22010	68095434	21.90	73242845	13	73242858	20.71	(1.19)
Total Public Shareholding (B)=(B)(1)+(B)(2)	68073424	22010	68095434	21.90	109270982	13	109270995	31.02	9.12
C. Shares held by Custodian for GDRs & ADRs									-
Grand Total (A+B+C)	310941071	22010	310963081	100	352225203	13	352225216	100	-

ii) Shareholding of Promoter

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Sadbhav Engineering Limited	240733427	77.42	25.07	240733427	68.35	35222522	(9.07)
Vishnubhai Patel	1100110	0.35	0.35	1186684	0.34	Nil	(0.01)
Shashin Patel	704110	0.23	0.23	704110	0.20	Nil	(0.03)
Rajeshreeben Patel	330000	0.10	Nil	330000	0.09	Nil	(0.01)
Total	242867647	78.10		242954221	68.98		(9.12)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Date	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Sadbhav Engineering Limited						
At the beginning of the year	01.04.2015		240733427	77.42	240733427	77.42
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/bonus / sweat equity etc):	NIL					
At the end of the year	31.03.2016				240733427	68.35
Vishnubhai M. Patel						
At the beginning of the year	01.04.2015		1100110	0.35	1100110	0.35
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	03.03.2016	Market Purchase	70000	0.02	1170110	0.33
	23.03.2016	Market Purchase	5174	0.00	1175284	0.33
	28.03.2016	Market Purchase	2700	0.00	1177984	0.33
	29.03.2016	Market Purchase	8700	0.00	1186684	0.34
At the end of the year	31.03.2016				1186684	0.34
Shashin Patel						
At the beginning of the year	01.04.2015		704110	0.23	704110	0.23
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/bonus/ sweat equity etc):	NIL					
At the end of the year	31.03.2016				704110	0.20
Rajeshreeben Patel						
At the beginning of the year	01.04.2015		330000	0.11	330000	0.11
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/bonus/ sweat equity etc):	NIL					
At the end of the year	31.03.2016				330000	0.09

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Date	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Xander Investment Holding XVII Limited						
At the beginning of the year	01.04.2015		32357622	10.41	32357622	10.41
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	31.08.2015	Offer for Sale	(3235762)	1.04	29121860	9.36
At the end of the year	31.03.2016				29121860	8.27
Norwest Venture Partners VII-A Mauritius						
At the beginning of the year	01.04.2015		32357622	10.41	32357622	10.41

Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	31.08.2015	Offer for Sale	(3235762)	1.04	29121860	9.36
At the end of the year	31.03.2016				29121860	8.27
Amansa Holdings Private Limited						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	31.08.2015	Offer for Sale	2427155	0.78	2427155	0.78
	10.09.2015	IPO Allotment	2616407	0.74	5043562	1.43
	25.09.2015	Market Purchase	945300	0.27	5988862	1.70
	27.11.2015	Market Purchase	20806	0.01	6009668	1.71
	04.12.2015	Market Purchase	645831	0.18	6655499	1.89
	15.01.2016	Market Purchase	141990	0.04	6797489	1.93
	29.01.2016	Market Purchase	45937	0.01	6843426	1.94
	19.02.2016	Market Purchase	37221	0.01	6880647	1.95
	31.03.2016	Market Purchase	5236	0.00	6885883	1.95
At the end of the year	31.03.2016				6885883	1.95
Nomura India Investment Fund Mother Fund						
At the beginning of the year	01.04.2015		-	--	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	31.08.2015	Offer for Sale	-	-	4854310	1.56
At the end of the year	31.03.2016				4854310	1.38
Tata Balanced Fund						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	10.09.2015	IPO Allotment	4653426	1.32	4653426	1.32
	25.09.2015	Market Purchase	146574	0.04	4800000	1.36
At the end of the year	31.03.2016				4800000	1.36
HDFC Trustee Company Limited-HDFC Equity Fund						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	10.09.2015	IPO Allotment	3883100	1.10	3883100	1.10
	11.03.2016	Market Purchase	100000	0.03	3983100	1.13
At the end of the year	31.03.2016				3983100	1.13
Morgan Stanley Mauritius Company Limited						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	31.08.2015	Offer for Sale	1010504	0.29	1010504	0.29
	10.09.2015	IPO Allotment	1981769	0.56	2992273	0.85
	16.09.2015	Market Sale	(8504)	0.00	2983769	0.85
At the end of the year	31.03.2016				2983769	0.85
Em Resurgent Fund						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	10.09.2015	IPO Allotment	327069	0.09	327069	0.09
	25.09.2015	Market Purchase	900000	0.26	1227069	0.35
	09.10.2015	Market Purchase	1000000	0.28	2227069	0.63
At the end of the year	31.03.2016				2227069	0.63
Pivotal Business Managers LLP						
At the beginning of the year	01.04.2015		-	-	-	-

Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	09.10.2015	Market Purchase	799605	0.23	799605	0.23
	27.11.2015	Market Purchase	1198096	0.34	1997701	0.57
At the end of the year	31.03.2016				1997701	0.57
Kotak Mahindra Old Mutual Life Insurance Limited						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of top ten shareholders during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	10.09.2015	IPO Allotment	952516	0.27	952516	0.27
	25.09.2015	Market Purchase	126220	0.03	1078736	0.31
	30.09.2015	Market Purchase	133950	0.03	1212686	0.34
	09.10.2015	Market Purchase	103620	0.03	1316306	0.37
	16.10.2015	Market Purchase	13723	0.00	1330029	0.38
	23.10.2015	Market Purchase	16278	0.00	1346307	0.38
	30.10.2015	Market Purchase	24764	0.01	1371071	0.39
	06.11.2015	Market Purchase	89675	0.03	1460746	0.41
	13.11.2015	Market Purchase	30893	0.01	1491639	0.42
	20.11.2015	Market Purchase	20709	0.01	1512348	0.43
	27.11.2015	Market Purchase	17000	0.00	1529348	0.43
	25.12.2015	Market Purchase	716	0.00	1530064	0.43
	08.01.2016	Market Purchase	150000	0.04	1680064	0.48
	31.03.2016	Market Purchase	533	0.00	1680597	0.48
At the end of the year	31.03.2016				1680597	0.48

v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Date	Reason for increase / decrease	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Vishnubhai M. Patel						
At the beginning of the year	01.04.2015		1100110	0.35	1100110	0.35
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	11.03.2016	Market Purchase	70000	0.02	1170110	0.33
	23.03.2016	Market Purchase	5174	0.00	1175284	0.33
	28.03.2016	Market Purchase	2700	0.00	1177984	0.33
	31.03.2016	Market Purchase	8700	0.00	1186684	0.34
At the end of the year	31.03.2016		-	-	1186684	0.34
Vasistha Patel						
At the beginning of the year	01.04.2015		550000	0.18	550000	0.18
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL					
At the end of the year	31.03.2016		-	-	550000	0.16
Shashin Patel						
At the beginning of the year	01.04.2015		704110	0.23	704110	0.23
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL					
At the end of the year	31.03.2016		-	-	704110	0.20
Nitin R. Patel						
At the beginning of the year	01.04.2015		396110	0.13	396110	0.13

Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc):	10.09.2015	IPO Allotment	1885	0.00	397995	0.11
	19.02.2016	Market Purchase	1000	0.00	398995	0.11
	26.02.2016	Market Purchase	811	0.00	399806	0.11
At the end of the year	31.03.2016		-	-	399806	0.11
Arun Patel						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	10.09.2015	IPO Allotment	1885	0.00	1885	0.00
At the end of the year	31.03.2016		-	-	1885	0.00
Atul Ruparel						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2016		-	-	-	-
Mirat Bhadlawala						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2016		-	-	-	-
Daksha Shah						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2016		-	-	-	-
Jagdish Joshipura						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc):			-	-	-	-
At the end of the year	31.03.2016		-	-	-	-
Sandip Patel						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc):	10.09.2015	IPO Allotment	1885	0.00	1885	0.00
At the end of the year	31.03.2016		-	-	1885	0.00

Varun Mehta						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus/ sweat equity etc):	10.09.2015	IPO Allotment	1885	0.00	1885	0.00
At the end of the year	31.03.2016		-	-	1885	0.00
Gaurav Vesasi						
At the beginning of the year	01.04.2015		-	-	-	-
Date wise Increase/Decrease in Shareholding of each directors and KMP during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/bonus / sweat equity etc):	10.09.2015	IPO Allotment	1885	0.00	1885	0.00
	09.10.2015	Market Sell	(1885)	0.00	0	0.00
At the end of the year	31.03.2016		-	-	0	0.00

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year including Working Capital Loan and premium payable				
i) Principal Amount	7012.00	5567.05	-	12579.05
ii) Interest due but not paid	-	118.38	-	118.38
iii) Interest accrued but not due	66.12	-	-	66.12
Total (i+ii+iii)	7078.12	5685.43	-	12763.55
Change in Indebtedness during the financial year including Working Capital Loan and premium payable				
* Addition	293.28	4968.26	-	5261.54
* Reduction	(1800.00)	(4319.36)	-	(6119.36)
Net Change	(1506.72)	648.90	-	(857.82)
Indebtedness at the end of the financial year including Working Capital Loan and premium payable				
i) Principal Amount	5505.28	6215.95	-	11721.23
ii) Interest due but not paid	-	66.47	-	66.47
iii) Interest accrued but not due	56.03	-	-	56.03
Total (i+ii+iii)	5561.31	6282.42	-	11843.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lacs)

SN.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. Vasistha C. Patel - Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	30.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	30.00	30.00
	Ceiling as per the Act	As per Part II of Schedule V	

B. Remuneration to other directors

(₹ in Lacs)

SN.	Particulars of Remuneration	Name of Independent / Non-Executive Director									
		Vishnubhai M. Patel	Shashin V. Patel	Nitin R. Patel	Arun Patel	Sandip Patel	Atul Ruparel	Mirat Bhadlawala	Daksha Shah	Jagdish Joshipura	Total
1	Independent Directors										
	Fee for attending board and committee meetings	-	-	-	0.60	0.60	0.75	0.45	0.75	0.75	3.90
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	0.60	0.60	0.75	0.45	0.75	0.75	3.90
2	Other Non-Executive Directors										
	Fee for attending board and committee meetings	0.90	0.90	0.60	-	-	-	-	-	-	2.40
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	0.90	0.90	0.60	-	-	-	-	-	-	2.40
	Total (B)=(1+2)	0.90	0.90	0.60	0.60	0.60	0.75	0.45	0.75	0.75	6.30
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	-	-

C. Remuneration To Key Managerial Personnel Other Than MD/MANAGER/WTD

(₹ in Lacs)

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
		-	Mr. Gaurav Vesasi	Mr. Varun Mehta	
1	Gross salary	-			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	8.07	22.26	30.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	--	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	8.07	22.26	30.33

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure - 6

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16;

Name of the Directors	Designation	Remuneration of the directors (₹ in Lakhs)	Median remuneration of the employees (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Mr. Vasistha C. Patel	Managing Director	30.00	5.58	5:1

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Directors, Chief Financial Officer, Chief Executive Officer, Company Secretary, Manager	Designation	Percentage increase in remuneration	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;
Mr. Vasistha C. Patel	Managing Director	NIL	Loss before tax decreased by 102.01% and loss after tax decreased by 101.64% in the financial year 2015-16.
Mr. Varun Mehta	Chief Financial Officer	8%	
Mr. Gaurav Vesasi	Company Secretary	8%	

- (iii) The percentage increase in the median remuneration of employees in the financial year 2015-2016;

The median remuneration of employee in the financial year 2015-16 was ₹ 5.58 Lakhs (₹ 5.17 Lakhs in financial year 2014-15). There was increase of 8 % in median remuneration of employee.

- (iv) There were 27 employees on the rolls of company as on March 31, 2016.

- (v) The explanation on the relationship between average increase in remuneration and company performance;

The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness.

Pay mix is designed to reflect the performance and is aligned to the long term interests of the shareholders.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Total remuneration of Key Managerial Personnel increased by 3.87% from ₹ 58.08 Lakhs in 2014-15 to ₹ 60.33 Lakhs in 2015-16 whereas loss before tax decreased by 102.01% to ₹ 12.26 Lakhs in 2015-16 (₹ 611.14 Lakhs in 2014-15).

- (vii) Variation in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotation of the shares of the company in comparison to the rate at which the company came out with the last public offer;

a. Variations in the market capitalization of the company: The market capitalization (as per BSE) as on 31.03.2016 was ₹ 358213 lakhs.

b. Price earning ratio of the Company was 3390 as at 31.03.2016.

c. The Company had came out with Initial Public Offer (IPO) in 2015 at a price of ₹ 103/- per equity share of ₹ 10/- each. Closing price of equity shares of ₹ 10/- each on March 31, 2016 was ₹ 101.70/-.

- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 6% whereas the increase in the managerial remuneration for the same financial year was 3.87%.

- (ix) The key parameters for any variable component of remuneration availed by the directors;

There are no variable components in remuneration package availed by the directors.

- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; (0.93): 1

- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, equity, openness, fairness and accountability in all faces of its functioning and its interactions with stakeholders. To create a culture of corporate governance, the company has adopted practices such as constitution of various Board Committees for effective internal control system, adequate and timely compliance, fair representation of professionally qualified, non-executive and independent directors on the Board, disclosure of material information, effective management control, etc. The company is committed to achieve good corporate governance for betterment of sustainable growth and enhancement of stakeholders' value. So far as compliance with the requirement of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is concerned, Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

A. BOARD OF DIRECTORS

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors including Independent Directors. The Board is headed by the Non-Executive Chairman, Mr. Vishnubhai M. Patel who is also promoter of the company. As on 31st March, 2016, the Board comprised of ten directors which include one Executive Director and nine Non-Executive Directors including six Independent Directors. To comply with the requirements of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per provisions of Section 149(1) of the Companies Act, 2013 and Rules made there under, the company has appointed Mrs. Daksha N. Shah, a woman director as an Independent Director on the Board of the Company. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being Independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of Board of Directors as on 31st March, 2016 is as under.

Name	Designation	Category	No. of Directorship held in other Public Limited Companies	No. of Committee Membership in other companies#	No. of Committee Chairmanship in other companies#
Mr. Vishnubhai M. Patel (DIN: 00048287)	Chairman & Non-Executive Director	Promoter, Non-Executive Director	7	3	Nil
Mr. Vasistha C. Patel (DIN: 00048324)	Managing Director	Executive Director	8	4	Nil
Mr. Shashin V. Patel (DIN: 00048328)	Director	Non-Independent, Non-Executive Director	6	1	Nil
Mr. Nitin R. Patel (DIN: 00466330)	Director	Non-Independent, Non-Executive Director	6	6	Nil
Mr. Sandip V. Patel (DIN: 00449028)	Director	Independent, Non-Executive Director	2	1	1
Mr. Mirat N. Bhadlawala (DIN: 01027984)	Director	Independent, Non-Executive Director	9	4	4
Mr. Arun S. Patel (DIN: 06365699)	Director	Independent, Non-Executive Director	9	6	3
Mr. Atul N. Ruparel (DIN: 00485470)	Director	Independent, Non-Executive Director	7	3	4
Mrs. Daksha N. Shah (DIN: 00376899)	Director	Independent, Non-Executive Director	3	Nil	Nil
Dr. Jagdish Joshipura (DIN: 00260590) (From 13/04/2015)	Director	Independent, Non-Executive Director	3	2	1

Only Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Sadbhav Infrastructure Project Limited) have been considered for committee position.

* Mr. Shashin Patel is son of Mr. Vishnubhai Patel. Mr. Vasistha Patel is son-in-law of Mr. Vishnubhai Patel. Mr. Vasistha Patel and Mr. Shashin Patel are brother-in-laws. Except this, none of the other directors are related to any other on the Board in terms of definition of 'relative' as per Companies Act, 2013.

B. BOARD MEETING AND ATTENDANCE

The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than four months. During the year under review, 7 (Seven) Board Meetings were held on 14th April, 2015, 20th May, 2015, 30th May, 2015, 14th August, 2015, 4th November, 2015, 10th November, 2015 and 5th February, 2016.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vishnubhai M. Patel	7	7	Yes
Mr. Vasistha C. Patel	7	6	Yes
Mr. Shashin V. Patel	7	7	Yes
Mr. Nitin R. Patel	7	5	Yes
Mr. Sandip V. Patel	7	4	Yes
Mr. Mirat N. Bhadlawala	7	4	-
Mr. Arun S. Patel	7	5	Yes
Mr. Atul N. Ruparel	7	5	Yes
Mrs. Daksha N. Shah	7	6	-
Dr. Jagdish Joshipura (From 13/04/2015)	7	6	Yes

C. EVALUATION OF BOARD PERFORMANCE

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

D. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, in compliance with the requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Companies Act, 2013 a separate meeting of Independent Directors was held on 28th March, 2016, inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and time lines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform their duties.

All Independent Directors were present at the meeting.

E. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Your company has conducted the familiarization Programme for Independent Directors of the Company. The Programme was designed to familiarize the directors with their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The detailed familiarization programme for Independent Directors is available on the website of the company at <http://sadbhavinfra.co.in/en/pdf/familirization-programme-2015-16.pdf>

F. COMMITTEES OF THE BOARD

(1) Audit Committee

The company has independent Audit Committee, constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Sandip V. Patel	Chairman	Independent, Non-Executive Director	6	6
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	6	6
Mr. Nitin R. Patel	Member	Non-Independent, Non-Executive Director	6	6

During the year 2015-16, six meetings of the Audit Committee were held on 13th April, 2015, 30th May, 2015, 14th August, 2015, 4th November, 2015, 10th November, 2015, and 5th February, 2016.

The terms of reference and role of the Audit Committee stipulated by the Board are as contained under Section 177 of the Companies Act, 2013 and Regulation 18 and Schedule II of part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The secretary of the company acts as the secretary to the committee.

(2) Nomination and Remuneration Committee

The company has independent Nomination and Remuneration Committee, constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Atul N. Ruparel	Chairman	Independent, Non-Executive Director	2	2
Mr. Mirat N. Bhadlawala	Member	Independent, Non-Executive Director	2	2
Mr. Vishnubhai M. Patel	Member	Promoter, Non-Executive Director	2	2

During the year under review, two meetings of Nomination and Remuneration Committee were held on 10th April, 2015 and 5th February, 2016.

The terms of reference stipulated by the Board to the Nomination and Remuneration Committee are as contained under Section 178 of the Companies Act, 2013 and Regulation 19 and Schedule II of part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high caliber executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of Directors is optimum.

i) Remuneration to Non-Executive Directors

During the year 2015-16, Non-Executive Directors were paid sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii) Remuneration to Managing Director

As at 31st March, 2016 the Board comprised of only one Executive Director viz. Mr. Vasistha C. Patel, Managing Director.

Mr. Vasistha C. Patel, Managing Director was paid remuneration of ₹ 2.50 Lakhs per month by way of salary for the financial year ended 31st March, 2016. Mr. Vasistha C. Patel, Managing Director was also entitled to receive commission on profits as well as other perquisites as determined by the Board of Directors and approved by shareholders in the Extra Ordinary General Meeting held on 22nd October, 2014.

The Company has entered into an agreement with Mr. Vasistha C. Patel for his employment for a period of three years. Either party to an agreement is entitled to terminate the agreement by giving not less than 90 days' notice in writing to other party.

Details of the remuneration paid to executive and non-executive directors during the year 2015-16 are as under;

Name of Directors	Salary (₹ in Lakhs)	Sitting Fees (₹ in Lakhs)	Terms of Appointment	No. of Equity Shares held as on March 31, 2016
Mr. Vishnubhai M. Patel	Nil	0.90	Nil	1186684
Mr. Vasistha C. Patel	30.00	Nil	3 years from January 01, 2015	550000
Mr. Shashin V. Patel	Nil	0.90	Nil	704110
Mr. Nitin R. Patel	Nil	0.60	Nil	399806
Mr. Sandip V. Patel	Nil	0.60	Nil	1885
Mr. Mirat N. Bhadlawala	Nil	0.45	5 years from October 22, 2014	Nil
Mr. Arun S. Patel	Nil	0.60	5 years from October 22, 2014	1885
Mr. Atul N. Ruparel	Nil	0.75	5 years from October 22, 2014	Nil
Mrs. Daksha N. Shah	Nil	0.75	5 years from March 24, 2015	Nil
Dr. Jagdish Joshipura (From 13/04/2015)	Nil	0.75	5 years from April 13, 2015	Nil

(3) Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Nitin R. Patel	Chairman	Non-Independent, Non-Executive Director	3	3
Mr. Vasistha C. Patel	Member	Executive Director	3	2
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	3	3
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	3	3

During the year under review, Stakeholders Relationship Committee met three (3) times on 4th November, 2015, 10th November, 2015 and 5th February, 2016.

Mr. Gaurav Vesasi*, Company Secretary of the Company, acts as a Compliance Officer of the Company.

* Mr. Gaurav Vesasi has resigned w.e.f. 31st May, 2016. Mr. Hardik Modi has been appointed w.e.f. 8th July, 2016 as Company Secretary.

The terms of reference stipulated by the Board to the Stakeholders Relationship Committee are as contained under Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II of part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The committee reviews all matters connected with securities transfer and redresses investor complaints. The company investigates into the complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities. The company also oversees the performance of Registrar & Transfer Agent, Link Intime India Private Limited and issue of duplicate certificates and new certificates on split/consolidation/renewal as well as any other matter related to stakeholders' complaint.

Number of complaints received and resolved during the year under review are as under:

Particulars	No. of Complaints
Complaints at the beginning of the year	Nil
Complaints received during the year	193
Complaints resolved during the year	193
Complaints remains unresolved at the end of the year	Nil

All complaints have been resolved to the satisfaction of the shareholders.

(4) Finance and Investment Committee

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Vishnubhai M. Patel, Mr. Vasistha C. Patel, Mr. Nitin R. Patel and Mr. Arun S. Patel, to review investment of funds, approval of short term and/or long term loans, banking transactions and any other matters related to finance and investments of the company.

Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises.

(5) Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013, the company has constituted Corporate Social Responsibility Committee (known as “CSR Committee”) for the purpose of activities to be undertaken by the company towards the Corporate Social Responsibility (CSR). The committee comprised of four members which includes independent directors as members. The committee headed by Mr. Vasistha C. Patel as Chairman and Mr. Nitin R. Patel, Mr. Sandip V. Patel and Mr. Atul N. Ruparel as members of the committee. The Board of Directors have approved Corporate Social Responsibility Policy. No meeting of CSR Committee was held during the year 2015-16.

(6) Risk Management Committee

In compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has constituted the Risk Management Committee comprising of Mr. Vasistha C. Patel, as Chairman and Mr. Nitin R. Patel and Mr. Sandip V. Patel as members of the committee. The committee has been delegated powers to monitor and review risk management plans. The Committee meets as and when the need to review the management plans.

(7) IPO Committee

For the purpose of raising of fund by way of Public Issue and to complete various legal statutory and procedural formalities, including appointment of various intermediaries, filing of documents with SEBI, Stock Exchanges, ROC or any other regulatory authority, the company has constituted IPO Committee comprising of Mr. Vishnubhai M. Patel, Mr. Shashin V. Patel, Mr. Vasistha C. Patel and Mr. Nitin R. Patel as members of the committee. During the year 2015-16, nine (9) meetings of IPO Committee were held on 15th April 2015, 29th April 2015, 25th May 2015, 14th August 2015, 21th August 2015, 28th August 2015, 04th September 2015, 08th September 2015, and 10th September 2015.

The said Committee was dissolved by the Board of Directors in their Meeting held on 05th February 2016.

G. GENERAL BODY MEETINGS

Annual General Meetings of last three years' were held as under:

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2014-15	Monday, December 28, 2015 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006.	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on Private Placement basis - To authorize Board of Directors to make Investment on behalf of the Company - To Approve Related Party Transactions
2013-14	Friday, September 05, 2014 (2:00 PM)	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.	Yes - Approval for creating security under Section 180(1)(a) of the Companies Act, 2013 - Approval for the company's borrowing limit under Section 180(1)(c) of the Companies Act, 2013
2012-13	Friday, September 20, 2013 (11:00 AM)	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006.	No

During the financial year ended 31st March, 2016, none of the resolutions were passed by the members through Postal Ballot. There is no resolution proposed to be passed through postal ballot at the ensuing Annual General Meeting of the Company.

H. DISCLOSURES

(1) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis. Suitable disclosures as required by the Accounting Standard [AS 18] have been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website <http://sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

(2) Code of Conduct

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website <http://sadbhavinfra.co.in/en/pdf/code-of-conduct.pdf>. All Board members and senior management personnel have affirmed their compliance with code.

(3) Code for Prevention of Insider Trading

In Compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Board of Directors of the Company has approved the Code of Conduct in its meeting held on 14th August, 2015. The said Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company. The code is uploaded on the website of the company at <http://sadbhavinfra.co.in/en/pdf/code-of-practices-and-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information.pdf>

(4) WHISTLE BLOWER POLICY

In compliance of the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a vigil mechanism called 'Whistle Blower Policy', for directors and employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern.

All Protected Disclosures should be in writing and can be submitted by hand delivery, by courier or post or by electronic mode addressed to the Chairman of the Audit Committee of the Company. The contact details of the Chairman of the Audit Committee are as under:

By Post : Chairman of Audit Committee

Sadbhav Infrastructure Project Limited
"Sadbhav House", Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad- 380006.

The Whistle Blower Policy is also disclosed on the website of the company at <http://sadbhavinfra.co.in/en/pdf/whistle-blower-policy.pdf>

(5) Management Discussion and Analysis

A Management Discussion and Analysis Report forms part of this Annual Report and includes discussions on various matters specified under Regulation 34 (2)(e) and Schedule V (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(6) Subsidiary Companies

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on Material Subsidiaries as approved by the Board is uploaded on the Company's website http://sadbhavinfra.co.in/en/pdf/policy_for_determining_material_subsidary_co.pdf

(7) Disclosure of Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(8) Disclosure of Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. The company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board to ensure that the risk occurred is regularly assessed and proper steps are being taken by the management to minimize the risk.

(9) CEO/CFO Certificate

The Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(10) Means of Communication

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website www.sadbhavinfra.co.in. The quarterly, half yearly and annual financial results and other statutory information were generally communicated to the shareholders by way of an advertisement in an English newspaper viz. 'The Economic Times (English)' and in a vernacular language newspaper viz. 'The Economic Times (Gujarati)' as per requirements of the Listing Regulations. The financial and other information are filed by the Company on electronic platforms of NSE and BSE.

Official press releases, presentations made to institutional investors or to the analysts and transcripts of Con-call are displayed on Company's corporate website, www.sadbhavinfra.co.in.

(11) General Shareholders Information

1. Annual General Meeting

Date and Time : 28th September, 2016; 11:00 AM
Venue : Lions Hall, Nr. Mithakhali Six Road, Ellisbridge, Ahmedabad - 380006.

2. Financial Calendar : April 01 to March 31

3. Book Closure Date : Thursday, 22nd September, 2016 to Wednesday, 28th September, 2016 (both days inclusive)

4. Dividend payment date : Not Applicable

5. Stock Code

Script Code at BSE : 539346
Trading Symbol at NSE : SADBHIN
ISIN No. : INE764L01010

6. Listing on Stock Exchanges

Equity Shares : **BSE Limited**
 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
 : **National Stock Exchange of India Limited**
 Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051

Company has paid requisite Listing Fees to the Stock Exchanges for FY 2016-17

7. Debt Securities (Debentures)

Following Redeemable Secured Non-convertible Debentures of the Company are listed on Wholesome Debt Market at BSE.

INE764L07017 – 702703 NCDs of ₹ 1000/- each
INE764L07025 – 702702 NCDs of ₹ 1000/- each
INE764L07033 – 480 NCDs of ₹ 10,00,000/- each
INE764L07041 – 480 NCDs of ₹ 10,00,000/- each
INE764L07058 – 640 NCDs of ₹ 10,00,000/- each
INE764L07066 – 800 NCDs of ₹ 10,00,000/- each
INE764L07074 – 500 NCDs of ₹ 10,00,000/- each
INE764L07082 – 700 NCDs of ₹ 10,00,000/- each

Debenture Trustee : **IL&FS Turst Company Limited**
 IL&FS Financial Centre, Plot C-22, G Block,
 Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

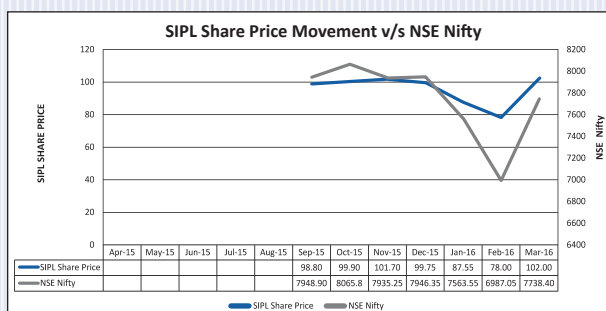
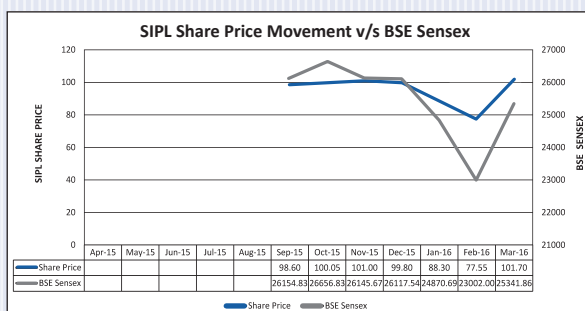
GDA Trusteeship Limited
 GDA House, Plot No.85, Bhusari Colony (Right), Kothrud, Pune - 411 038.

IDBI Trusteeship Services Limited
 Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.

8. Market Price Data

The equity shares of the Company got listed with The BSE Limited and National Stock Exchange of India Limited on 16th September, 2015.

Month	Share Price at BSE Amount in ₹		BSE Sensex		Share Price at NSE Amount in ₹		NSE (NIFTY)	
	High	Low	High	Low	High	Low	High	Low
Apr-15	-	-	-	-	-	-	-	-
May-15	-	-	-	-	-	-	-	-
Jun-15	-	-	-	-	-	-	-	-
Jul-15	-	-	-	-	-	-	-	-
Aug-15	-	-	-	-	-	-	-	-
Sep-15	112.25	96.10	26471.82	24833.54	112.45	97.95	8055.00	7539.50
Oct-15	106.20	97.70	27618.14	26168.71	105.80	97.95	8336.30	7930.65
Nov-15	104.00	94.00	26824.30	25451.42	107.85	95.20	8116.10	7714.15
Dec-15	106.00	95.00	26256.42	24867.73	106.00	93.00	7979.30	7551.05
Jan-16	100.65	80.00	26197.27	23839.76	100.00	80.20	7972.55	7241.50
Feb-16	88.10	66.30	25002.32	22494.61	94.80	71.05	7600.45	6825.80
Mar-16	102.50	75.00	25479.62	23133.18	103.00	79.05	7777.60	7035.10



9. Registrar & Transfer Agent : Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078.
Phone : 022-2596 7878

10. Share Transfer System

Link Intime India Private Limited is the registrar and transfer agent of the Company. All share transfers and related operations are conducted by Link Intime, which is registered with Securities and Exchange Board of India. The Company has a Stakeholders' Relationship Committee for redressing the complaints / queries of shareholders and investors.

11. Shareholding as on 31st March, 2016

a. Distribution of shareholding as on 31st March, 2016

No. of shares	No. of Shareholders	% to total	No of Shares held	% to total
1 - 500	9451	95.0231	1329348	0.3774
501 - 1000	146	1.4679	119105	0.0338
1001 - 2000	188	1.8902	315630	0.0896
2001 - 3000	28	0.2815	70507	0.0200
3001 - 4000	8	0.0804	27645	0.0078
4001 - 5000	8	0.0804	37911	0.0108
5001 - 10000	21	0.2111	158342	0.0450
Above 10001	96	0.9652	350166728	99.4156
Total	9946	100.00	352225216	100.00

b. Categories of shareholders as on 31st March, 2016

Category	No of Shares	% to total
Promoters	242954221	68.9770
Mutual Fund	17146749	4.8681
Banks / Financial Institutions / Central Govt./ State Govts / Trusts & Insurance companies	—	—
FII / Foreign Portfolio Investors	18881388	5.3606
NRI (Repatriate & Non-Repatriate)	16639	0.0047
Foreign Companies	58243720	16.5359
Other Corporate Bodies	8388067	2.3814
Indian Public / HUF	6509662	1.8482
Clearing Member	84770	0.0241
Total	352225216	100.00

12. Dematerialization of shares and liquidity

As on March 31, 2016, 99.99% of the Company's paid-up equity share capital has been in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized segment as per notification issued by the Securities & Exchange Board of India (SEBI).

13. SEBI Complaints Redress System (SCORES)

Company has made registration on the centralized web based complaints redressal system of SEBI i.e. SCORES. Investors complaints are processed on the centralized web based complaints redressal system. The salient features of the systems are Centralized Database of all Complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and their current status.

14. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversions, conversion date and likely impact on equity:

NIL

15. Commodity price risk or foreign exchange risk and hedging: Not Applicable

16. Address for Correspondence :

“Sadbhav”, Nr. Havmor Restaurant, B/h. Navrangpura Bus Stand,
Navrangpura, Ahmedabad - 380 009.
Phone : 079-40400400, Fax : 079-40400444

17. Other Disclosures

i) Disclosure on materially significant related party transaction, that may have potential conflict with the interest of the Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

ii) Details of non-compliance by the Company, penalties, strictures imposed by stock exchanges / SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

iii) Details of establishment of vigil mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee:

In accordance with the requirements of the Act, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established Whistle Blower Policy.

It is affirmed that no personnel has been denied access to the audit committee.

iv) The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of corporate governance.

Following non-mandatory requirements have been adopted by the Company:

- a) Auditor's Report does not contain any qualifications.
- b) The Company has appointed separate persons to the posts of Chairman and Managing Director.
- c) The Internal Auditors report directly to the Audit Committee.

v) The policy for determining 'material' subsidiaries is available on web link: http://sadbhavinfra.co.in/en/pdf/policy_for_determining_material_subsidary_co.pdf

vi) The policy on dealing with related party transactions is available on web link: <http://sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

vii) Disclosure of commodity price risks and commodity hedging activities: Not Applicable.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all members of the Board and senior management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2016.

For, Sadbhav Infrastructure Project Limited

Date : August 20, 2016
Place : Ahmedabad

Vasistha C. Patel
Managing Director
(DIN: 00048324)

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Vasistha C. Patel, Managing Director and Varun Mehta, Chief Finance Officer of Sadbhav Infrastructure Project Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2016 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date : August 20, 2016
Place : Ahmedabad

Vasistha C. Patel
Managing Director
(DIN: 00048324)

Varun Mehta
Chief Financial Officer

Compliance Certificate on Corporate Governance

To,
The Members of
Sadbhav Infrastructure Project Limited

We have examined the compliance conditions of Corporate Governance by SADBHAV INFRASTRUCTURE PROJECT LIMITED for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanation given to us, and the representation made by the Directors and the Management, we certify that the company has materially complied with the conditions of Corporate Governance as stipulated in Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management conducted the affairs of the Company.

For, Ravi Kapoor & Associates
Company Secretaries

Place : Ahmedabad
Date : May 30, 2016

Ravi Kapoor
Proprietor
Membership No. 2587

Management Discussion & Analysis

SIPL (Sadbhav Infrastructure Project Limited) takes into consideration the predictions established under the umbrella of economy, both world and national; policies; governments; etc. Therefore, in admittance of all these aspects, the company presents its annual report for the year 2015-16.

1. ECONOMIC

A global GDP growth rate of 3.5% is lower but better than the average rate, over the past five years. While growth rates between mature and emerging markets have rapidly converged, significant variation between regions remains. Turning to indicators of real activity, output growth in the Q1 of 2016 was somewhat better than expected in emerging market and developing economies and roughly in line with projections for advanced economies, with better-than-expected Euro area growth counterbalancing weaker U.S. growth. The GDP growth rate of India has been derived at 6.8% which is better in comparison to future predictions of 6.5% in 2017. Productivity growth in most advanced economies remained sluggish, and inflation was below target owing to slack and the effect of past declines in commodity prices. From a macroeconomic perspective, the 'Brexit' vote implied a substantial increase in economic, political, and institutional uncertainty, which is projected to have negative macroeconomic consequences. On a structural model-based approach and judgment, the possible negative repercussion on the global economy seems closer. This includes a more severe financial market reaction than what has been observed so far. In the US and Europe alike, investments levels are low and the export sector is only providing a small contribution to the recovery. At the same time growth is slowing in Asia and world trade is likely to grow at a slower rate than GDP. Threatened by a range of factors, it is a recovery without a real upturn in the business cycle.

2. INDUSTRY SYNOPSIS

India has been able to accelerate growth out of its own power. Political reforms have improved governance. Barriers to trade, the regulatory burden, and the cost of doing business have been reduced. Also, the education level of the workforce has improved. The mobile revolution has made information accessible almost everywhere, thus, increasing political transparency. But the emerging economies will still be under market pressure during 2016. In this rather difficult environment, it would be a critical moment if external pressure, such as tensions in global economy, translated into a push for economic reforms. Growth is increasing, lead by the recovery in the advanced economies, but populism, geopolitical risks and market turmoil are likely to cast some shadows over the optimism. Though, it is important to take on board, the fundamental optimism that globalisation is bringing to emerging markets. According to the IMF forecast for 2016 there will be more than 3.4 billion people living in countries with a GDP growing faster than 6%. A growth rate of 6% means that the total economy will triple in two decades. With policies of economic reform, the revival of the fundamental emerging market doesn't seem far-fetched.

3. OVERVIEW

In addition to the above projects, the equity shares of SIPL were listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) as on 16th September 2015. As on 31st March 2016, our market capitalization stood at ₹ 35,926.9 million.

Our business model is directly linked to India's GDP, State GDP, activities around the Project Influence Area (PIA), interest rate environment in the country and inflation. All these variables have moved positively in our favour in the year 2015-16. We expect these trend to continue also for 2016-17. Sadbhav Infrastructure Private Limited (SIPL) is one of the leading roads and highways BOT companies in India. It specialises in the development, operation and maintenance of highways, roads and related projects. These projects are implemented and held through special purpose vehicles, including joint venture entities. Being incorporated in 2007, it is a subsidiary of Sadbhav Engineering Ltd. (SEL). It has an established track record of executing projects. Our operational projects cover approximately 2,207 lane kms and the projects under development cover approximately 744 lane kms. In addition, as of March 31, 2016, our Subsidiary MBCPNL completed 16 check posts and is developing 8 more check posts.

With over 25 years of experience in construction activities, since its incorporation in 1988, SEL has also improved its presence in Irrigation and Mining segment, comprising of 45% of the total order book as on FY 16.

Our focal point remains our assets. Assets primarily in states where the company currently has operations, present a lower risks for toll collection. Traffic and EPC consultants are appointed to carry out detailed study of the traffic growth and the road structure. In-house financial and traffic estimates of the assets arrive before helping in submitting rational bids for the asset. Lenders are approached for achievement of Financial Closure (FC) of the project and then EPC contractors are finalised before the appointed date and initial work on the project is carried out. To ensure diligent monitoring, and other than the engineers appointed by NHAI and Lenders, SIPL also appoints a marquee engineer who gives monthly tracking of the work being carried out on the project. Our company has an in-house operations and maintenance team thereby reducing third-party dependency and ensuring quality of work.

4. OPPORTUNITIES & STRENGTHS

It currently holds the portfolio of 11 roads and highways BOT projects of which 8 are fully operational, one is the partially operational and the remaining are under advanced stages of construction. The total project cost sums up to ₹ 101,608 million. 10 out of the 11 BOT projects are toll projects, while the remaining is an annuity project. We have diversified our portfolio between NHAI and state projects. We further to increase to increase the diversification for toll revenue by increasing the proportion of annuity projects also under the new Hybrid Annuity Model (HAM) started by NHAI. Your company has been declared L1 for 2 new HAM projects as on 31st March, 2016. Your company is one of the front runners for the new initiative/model arranged by NHAI.

We have consolidated our stakes in all SPVs by buying the JV partners stake in 3 SPVs (namely HYTPL, ARRIL & DPTL) and selling the minority economic interests in MNEL in last 2 years. The concession agreements established towards the subsidiaries are for periods ranging from 18 to 30 years. Thereby, it ensures sustained future cash flows and growth for us.

We believe that the strategic locations of our projects strengthen the stability of our revenue by closing finance arrangements for these projects. A sizeable and diverse portfolio, in several states in India, has led to effective toll collection and toll management systems. A timely execution of projects in high economic growth areas and an integrated management team has led us to success. We foresee a huge opportunity for the company in the new HAM model started by NHAI. In terms of financing, your company has already started various transactions to reduce the cost of funds and thereby improving the cash flow position. We shall continue to focus on improving the toll collection and management system thereby increasing the revenue and reducing the costs.

6. RISKS & CHALLENGES

There are two categories of risk that the Management of the Company has identified. Firstly the Internal and Business Risk, such as a penalty for delay in completion of the project, cost overrun due to problems of land acquisitions, removal of encroachment, etc. Non-maintenance / break-down, mishandling of machines and equipment of pose a major risk towards non execution of projects and liability towards the organization. Thus, the successful completion of projects depends on EPC contractors and is therefore, sometimes, contingent on their performance since these projects are high valued contracts. There is a risk of escalation of cost of raw materials for BOT projects. Delay due to sub-contractor's performance and shortage in supply of raw materials can postpone projects and eventually result in delay of start of toll collection. Sometimes, a temporary setback is faced by the organization if any key managerial personnel were to leave. Also, any negligence towards health and safety of workforce and employees can affect our performance. Secondly, External Risks go beyond the control of Management and can be identified in various ways. Any change in the government policy, political situation, regulatory environment and civil disturbances will have adverse effect on company's business. Natural risks like adverse weather condition, fire, floods, earthquakes etc. However these risks are passed on by taking the Insurance Coverage from Insurance Company. Changes in the tax structure of sales tax, VAT, entry tax, RTO tax etc. also play a major role. An increase, decrease or withdrawal of tax benefits and other incentives by the Government, have an impact on our net income. However, these risks are covered under the "Change in Law" clause of the Concession Agreement. An increased competition from large national and international organizations for awarding of new projects is also an area of concern. Deviation from estimated traffic volume may affect future earnings in case of toll based BOT projects. An additional financial burden on the company, due to repayment and interest on external commercial borrowings, which is required to be made in fluctuating foreign currency, also contributes towards external risks faced by the organization.

7. MINIMIZING RISK

SIPL manoeuvres material supplies effectively and keep the cost escalation risk to a minimum. Before entering into any EPC agreement the Company thoroughly analyse the prospective EPC contractors past performances and credentials. We plan elaborately to execute all our projects before the scheduled time. A proven track record of completing work within the stipulated time has affirmed our policies. We have a full-fledged team of engineers who are responsible for monitoring the execution of projects and also the maintenance of projects during the operations period. Therefore, work without stoppages or no significant labour disruptions during its operational history was paved way for by our extensive employee welfare scheme which looks after their health and safety. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation polices to protect against losses caused to workmen through accident. Most of the critical work during operations period is done by us and only very minimal portion of the work is sub-contracted. We always insist to have a performance guarantee and quality assurance from EPC contractor. As a company, our ability to foresee and manage business risks plays a crucial role in achieving positive results. These risks management policies ensure smooth functioning of the Company's business operations which are reviewed periodically which provides a window for quick decisions by the Directors of the Company.

8. SEGMENT WISE PERFORMANCE

As on March 31, 2016 the Company has only one reportable business segment, that of construction, engineering and infrastructure development on Stand Alone basis. A segment wise performance on consolidated basis is given in the note no. 2.37 to the consolidated financial statements.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

SIPL, with Sadbhav Engineering Ltd. as its promoter, has internal controls for its business processes across departments to ensure efficiency of operations, compliance with internal policies and applicable laws and regulations. The ERP/SAP system of the company is already operative. It is a centralized monitoring system that controls the corporate office by providing real time information to the top brass of the company. It connects all sites to the office too, ensuring a better management of all the processes. The system of internal control is supplemented by extensive internal audits, regular reviews by management and standard policies and guidelines to ensure the reliability of financial and all other records. The criteria of the protection of resources, assets and accurate reporting of financial transactions are fulfilled by these control systems.

10. FINANCIAL OVERVIEW

At SIPL, we generate revenues primarily from toll collection, user fee and annuity receipts. The company also provides operation, maintenance, advisory and project management services for the projects. Our consolidated total income from operations and standalone income from operations for financial year ended March 31, 2016 stood at ₹ 7,421.96 million and ₹ 857.97 million respectively.

11. HUMAN RESOURCE DEVELOPMENT

SIPL, a subsidiary of Sadbhav Engineering Ltd., recognizes the potential of each employee and provides them the right opportunity to grow. Apart from providing regular in-house and external training which includes knowledge and skill development, we build the competency level of our human resource. A major part of the company strategy is satiated towards our employees whose professional, value-driven work environment company to great heights. Therefore, as a responsibility towards them, we look after their social amenities like Medical, PF, Gratuity, LTA etc. We believe that a company can only exhibit a brilliant performance if the employees feel satisfied and appreciated. We realize that they are responsible for our existence as well as our goodwill. Therefore, we identify and groom the talent to such an extent that they build a team capable of efficient management. Our workforce also is a part of this team. This team has retained the Company's mission and vision while added their own skills to enhance the overall development SIPL.

12. CAUTIONARY STATEMENT

Important factors such as economic developments within the country, demand and supply conditions of the industry, input prices, changes in Government regulations, tax laws and other factors such as litigation and industrial relations, influence the Company's operations. This may lead to the Company's projections and approximate estimates to dispose them as "forward looking statements". Though, these qualitative aspects are usually set in the framework meaning of applicable securities laws and regulations. The actual results may sometimes materially differ from those expressed or implied.

Independent Auditor's Report

To
the Members of **Sadbhav Infrastructure Project Limited**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Sadbhav Infrastructure Project Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board

of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report dated April 23, 2016 in “Annexure 2” to this report.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 (I) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E

Arpit K. Patel
Per Partner
Membership Number : 34032

Place of Signature : Ahmedabad
Date : April 23, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number : 106041W

K. C. Patel
Per Partner
Membership Number : 30083

Place of Signature : Ahmedabad
Date : April 23, 2016

Annexure-1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Sadbhav Infrastructure Project Limited for the year ended March 31, 2016.

- (i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification;
- c) As per the Company's records, there are no immovable properties held by the company. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The management has conducted physical verification of inventories, in the nature of project inventory, during the year and no material discrepancies were noticed on such physical verification.
- (iii) a) The Company has granted loan to twelve Companies covered in the register maintained under section 189 of the Companies Act, 2013 including interest free subordinate debt of ₹ 16,052.55 million of the nature of Project Sponsor Contribution as per Sponsor Support and Equity Contribution Agreement entered with the lenders of each special purpose entities as per service concession arrangement of each project. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest.
- b) The loans granted by the Company includes loans of ₹ 2,435.40 million re-payable on demand, to companies covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted which are subordinate debts, in the nature of Sponsor contribution are recoverable on achievement of certain financial performance of respective investee entities. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular except for certain loan transaction aggregating of ₹ 1,111.75 million granted by the Company to a subsidiary company, where payment of interest has not been specified.
- c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days except interest of ₹ 102.74 million on demand loan which is overdue for more than ninety days from a company covered in the register maintained under section 189 of the Act and in our opinion, at the year end, reasonable steps have been taken by the Company for recovery of the interest.
- (iv) In our opinion and according to the information and explanations given to us and based on legal opinion taken by the Company on applicability of section 185 of Companies Act 2013, in respect of loans to subsidiary entities in the nature of interest free subordinate debt as a project sponsor contribution in which directors are interested and in respect of interest bearing other loans given in the ordinary course of the business, the Company has complied with the provisions of section 185 of the Companies Act, 2013. Further, based on the information and explanations given to us, being an Infrastructure Company, provision of section 186 is not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to road and other infrastructure projects related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) Undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanation given to us there are no dues payable on account of Employee's State Insurance, customs duty, excise duty, wealth tax and cess during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c) According to the records of the Company, the dues outstanding of service tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	40.98	FY 2009-10 and FY 2010-11	CESTAT Ahmedabad

- (viii) In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and debenture holders. The Company does not have any outstanding dues to financial institutions and government during the year.
- (ix) According to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of initial public offer / term loans were applied for the purpose for which the loans were obtained, though funds which were not required for immediate utilization have been gainfully invested in fixed deposits. The maximum amount of such unutilized funds invested during the year was ₹ 850 million, of which ₹ Nil was outstanding at the end of the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934. However, based on financial statements for the year ended March 31, 2016, the Company meets the registration requirements under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, based on these financial statements the Company propose to apply for the registration with the Reserve Bank of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E

Arpit K. Patel
Per Partner
Membership Number : 34032

Place of Signature : Ahmedabad
Date : April 23, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number : 106041W

K. C. Patel
Per Partner
Membership Number : 30083

Place of Signature : Ahmedabad
Date : April 23, 2016

Annexure-2 to The Independent Auditor's Report of even date on the Standalone Financial Statements of Sadbhav Infrastructure Project Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of **Sadbhav Infrastructure Project Limited**

We have audited the internal financial controls over financial reporting of Sadbhav Infrastructure Project Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal

control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E

Arpit K. Patel
Per Partner
Membership Number : 34032

Place of Signature : Ahmedabad
Date : April 23, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number : 106041W

K. C. Patel
Per Partner
Membership Number : 30083

Place of Signature : Ahmedabad
Date : April 23, 2016

Balance Sheet as at March 31, 2016

(₹ in Million)

	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	3	3 522.25	3 109.63
(b) Reserves and surplus	4	8 935.98	5 326.29
		12 458.23	8 435.92
(2) Non Current liabilities			
(a) Long- term borrowings	5	6 184.84	7 331.56
(b) Long- term provisions	6	1.10	0.77
		6 185.94	7 332.33
(3) Current liabilities			
(a) Short- term borrowings	7	5 536.39	4 887.49
(b) Trade payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		462.35	282.76
(c) Other current liabilities	9	376.00	1 102.93
(d) Short-term provisions	6	0.10	0.03
		6 374.84	6 273.21
Total		25 019.01	22 041.46
II Assets			
(1) Non-current assets			
(a) Tangible assets	10	0.50	12.84
(b) Non-current investments	11	4 815.78	4 143.58
(c) Deferred tax assets (net)	12	-	-
(d) Loans and advances	13	16 178.66	13 528.37
(e) Other non-current assets	16	518.04	482.40
		21 512.98	18 167.19
(2) Current assets			
(a) Inventories	14	4.26	-
(b) Trade receivables	15	371.25	408.42
(c) Cash and bank balance	17	67.05	36.08
(d) Loans and advances	13	2 748.66	3 116.84
(e) Other current assets	16	314.81	312.93
		3 506.03	3 874.27
Total		25 019.01	22 041.46

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Profit and Loss Statement for the Year Ended March 31, 2016

(₹ in Million)

	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
I Revenue from operations	18	857.97	701.07
II Other income	19	405.56	371.98
III Total Revenue (I+II)		1 263.53	1 073.05
IV Expenses			
(a) Cost of materials consumed	20	-	-
(b) Sub-contractors charges	21	326.51	493.57
(c) Employee benefits expenses	22	45.61	42.37
(d) Other expenses	24	94.47	109.44
Total Expenses (a+b+c+d)		466.59	645.38
V Earning before finance costs, depreciation, exceptional item and tax expense (III-IV)		796.94	427.67
(a) Finance cost	23	1 400.02	1 037.52
(b) Depreciation	10	0.66	1.29
VI Loss before exceptional item and tax expense (V-(a+b))		(603.74)	(611.14)
VII Exceptional item (refer note 36)		616.00	-
VIII Profit / (Loss) before tax expense (VI+VII)		12.26	(611.14)
IX Tax expense			
(a) Current Tax		1.77	-
(b) Deferred Tax - Charge		-	0.22
(c) Adjustment of tax relating to earlier years		0.11	21.32
Total Tax Expense		1.88	21.54
X Net Profit / (Loss) after tax (VIII-IX)		10.38	(632.68)
Earnings per share [Nominal Value of share ₹ 10/-] (31 March 2015: ₹ 10/-)	25		
(1) Basic and Diluted		0.03	(2.04)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Cash Flow Statement for the Year Ended March 31, 2016

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Taxation	12.26	(611.14)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation	0.66	1.29
Interest expenses	1 085.68	878.33
Profit on sale of units of mutual funds	(1.31)	(0.04)
Sundry creditors write back	(0.01)	(0.09)
Profit on sale of Fixed assets	(7.19)	-
Net gain on transfer of equity rights (refer note)	(616.00)	-
Interest Income	(397.06)	(371.85)
Operating profit before working capital changes	77.03	55.69
Movement in Working Capital:		
(Increased) / Decrease in other current assets	(15.09)	12.37
Decreased / (Increased) in Trade Receivables	37.17	189.37
(Increased) in Inventories	(4.26)	-
(Increased) / Decreased in Loans and Advances	(47.75)	21.24
Increased in Trade Payables	179.60	65.88
(Decreased) in Current Liabilities and Provisions	(249.65)	(98.89)
Increase in Long term provisions	0.32	0.28
Cash generated from operations	(22.62)	245.94
Direct taxes paid	(62.80)	(42.03)
Net cash flow from operating activities (A)	(85.42)	203.91
CASH FLOWS FROM INVESTMENTS ACTIVITIES		
Purchase of fixed assets	(0.58)	(0.06)
Investments in subsidiaries (including acquisition from third party)	(728.39)	(604.44)
Short term loan given	(2 665.71)	(3 153.32)
Short term loan received back	2 753.65	313.92
Sub-Ordinate debt given	(2 641.40)	(3 786.52)
Sub-Ordinate debt received back	275.90	1 584.22
Purchase of Land	-	(2.88)
Investments in bank deposits (having original maturity of more than three months)	(2 071.83)	(21.08)
Proceeds from bank deposits (having original maturity of more than three months)	2 081.74	-
Purchase of mutual fund units (having original maturity of more than three months)	(414.14)	(29.50)
Redemption of mutual fund units (having original maturity of more than three months)	415.45	29.54
Proceeds from sale of fixed assets (net)	19.46	-
Proceeds from transfer of long term beneficial equity interest	720.00	-
Interest received	277.87	100.15
Net cash flow (used in) investing activities (B)	(1 977.99)	(5 569.96)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issue expenses	(170.92)	(66.18)
Proceeds from initial public offer (IPO) of equity share (including premium)	4 413.78	-
Repayment of excess amount received pursuant to IPO	(163.67)	-
Proceeds from long term borrowings	-	4 900.00
Repayment of long term borrowings	(1 800.00)	-
Proceeds from short term borrowings	4 968.26	5 847.23
Repayment of short term borrowings	(4 319.36)	(4 343.24)
Interest and other finance costs	(833.73)	(808.38)
Net cash generated financing activities (C)	2 094.37	5 370.24
Net increase in cash and cash equivalents (A+B+C)	30.97	4.19
Cash and cash equivalents at beginning of the year	15.00	10.81
Cash and cash equivalents at end of the year	45.97	15.00

Cash Flow Statement for the Year Ended March 31, 2016

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Notes:		
1. Components of Cash and Cash Equivalents (Refer note 17)		
Cash on Hand	0.01	0.46
Balance with Scheduled Banks		
in Current Accounts	45.84	14.54
in Current Accounts Earmarked for unpaid share application refund money	0.12	-
Cash and cash equivalents at end of the year	45.97	15.00

- The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement" notified in Companies (Accounting Standards) Rules, 2006.
- During the year, the company has converted short term loans given to a subsidiary of ₹ 140.00 Million (Previous year ₹ 1,217.23 Million) into a sub-ordinate debts. Thus, the impact of these transaction have not been given in the cash flow statement.
- The above cash flow does not include receipts of ₹ 666.57 Million (Previous year : Nil) towards proceeds of offer for sale (OFS) of 6,471,524 equity shares on behalf of the selling shareholders in the Initial Public Offering (IPO) which has also been repaid (net of expenditure related to OFS) to them during the year.
- Figures in brackets represents cash outflows.

Summary of significant accounting policies - Refer note 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Notes to financial statements for the year ended March 31, 2016

1. Corporate Information:

Sadbhav Infrastructure Project Limited ('the Company') is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a listed company, engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects."

In terms of Reserve Bank of India directive with regards to Systematically Important Core Investment Companies (Reserve Bank) Directions, 2011, the Company is not required to be registered with Reserve Bank of India as on March 31, 2016 based on eligibility criteria.

2. Basis of preparation:

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these Financial Statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statement are consistent with this of previous year.

2.1 Significant Accounting Policies:

(a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

(b) Tangible Fixed Assets:

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation and Amortization:

Depreciation on tangible assets is calculated on written down value method basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013. In respect of tangible assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees five thousand each is fully depreciated in the year of purchase. The residual value, useful live and method of depreciation of tangible assets are reviewed at each financial year end and adjusted prospectively, if appropriates.

(d) Impairment:

(i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) The Company's impairment tests of Investments are based on its value in use. The Company has used expected future cash flows of projects in respect of SPV's which generally covering period of the concession agreement using long term growth rate applied to future cash flows.

(iii) After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

Notes to financial statements for the year ended March 31, 2016

(e) Leases:

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as expenses in the statement of profit and loss on a straight line basis over the lease term.

(f) Borrowing costs:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings and premium payable on redemptions and discount on issue of debenture.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

(g) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investment are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such a brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On the disposal of an investment, the differences between carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss account.

Investment property

An investment in land which is not intended to be occupied substantially for use by or in the operations of, the company, is classified an investment property. Investment properties are stated at cost, net of accumulated impairment losses. If any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working for intened use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(h) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognized;

(i) Income from sale of services

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments); the amount of revenue recognized is based on the services delivered in the year as stated in the contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the factors on which the fee is based, actually occurs. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

(ii) Contractual Income

Contract revenue and costs associated with project related activities is recognized as by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unearned Revenue".

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Notes to financial statements for the year ended March 31, 2016

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

(iii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iv) Dividend

Dividend income is recognized when the company's right to receive payment is established by the reporting date.

(i) Foreign Currency Transactions:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange Difference

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the year in which they arise.

(j) Retirement and other employee benefits:

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.
- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the year in which they occur in the statement of profit and loss.
- (iii) Accumulated leave, which is expected to be utilized or encased within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

(k) Inventories:

Project Inventories are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

(l) Income taxes:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of timing differences between taxable income and accounting income for the year and reversal of timing differences for the earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing difference only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Notes to financial statements for the year ended March 31, 2016

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an assets only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward.

(m) Segment reporting:

Identification of segment

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk return profile of individual business unit and serves different market. The analysis of geographical segments is not required as the company's operations are within single geographical segment i.e. India.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities (including investments made in infrastructure projects through special purpose vehicle) that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

Segment Policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(n) Earnings per share:

- (i) Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting dividend on cumulative preference shares and attributable taxes) by the weighted average number of equity shares outstanding during the year.
- (ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions and Contingent liabilities:

- (i) A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and Cash Equivalent:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank (including demand deposits) and in hand and short-term investments with an original maturity of three months or less.

(q) Measurement of EBITDA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

Notes to financial statements for the year ended March 31, 2016

3 Share Capital

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Authorised shares (No. of Shares in actual)		
403,000,000 (31 March 2015: 403,000,000) Equity Shares of ₹ 10/- each	4 030.00	4,030.00
	4,030.00	4,030.00
Issued, Subscribed and Fully Paid Up (No. of Shares in actual)		
352,225,216 (31 March 2015: 310,963,081) Equity Shares of ₹ 10/-each	3 522.25	3,109.63
Total Issued , Subscribed and Fully Paid Up	3,522.25	3,109.63

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
At the beginning of the year	31,09,63,081	3,109.63	2,60,07,170	260.07
Add: Issued during the year				
- Initial public issue (Refer note 34)	4,12,62,135	412.62	-	-
- Bonus Shares	-	-	28,26,93,710	2,826.94
- Conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS)	-	-	22,62,200	22.62
- Conversion of Compulsory Convertible Debenture (CCD)	-	-	1	0.00
Outstanding at the end of the year	35,22,25,216	3,522.25	31,09,63,081	3,109.63
Compulsory Convertible Cumulative Preference Shares(CCCPS)				
At the beginning of the year	-	-	22,50,774	22.51
Conversion during the year	-	-	(22,50,774)	(22.51)
Outstanding at the end of the year	-	-	-	-

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of Equity Shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of Balance Sheet:

The Company had issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10:1 by capitalisation of ₹ 2,826.94 Million from Securities Premium Account in the financial year 2014-15.

(d) Shares held by holding company:

Out of issued, subscribed and paid up equity capital 240,733,427 shares (Previous Year 240,733,427 shares) are held by Sadbhav Engineering Limited - holding company.

(e) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in class	No. of Shares	% holding in class
Equity shares of ₹ 10/- each fully paid				
Sadbhav Engineering Limited	24,07,33,427	68.35%	24,07,33,427	77.42%
Xander Investment Holding XVII Ltd.	2,91,21,860	8.27%	3,23,57,622	10.41%
Norwest Venture Partners VII-A Mauritius	2,91,21,860	8.27%	3,23,57,622	10.41%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements for the year ended March 31, 2016

4 Reserves and Surplus

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
4.1 Securities premium account		
Balance as per the last year financial statement	5 387.45	7 464.50
Add: Addition during the year		
Premium for issue of equity shares	3 837.38	-
Premium on conversion of CCDs	-	750.00
Less: Utilisation during the year		
Conversion of CCCPS into equity shares	-	(0.11)
Issue of bonus shares	-	(2 826.94)
Initial public offer expense (refer note 34)	(238.07)	-
Closing Balance	8 986.76	5 387.45
4.2 Debenture Redemption Reserve		
Balance as per the last year financial statement	109.21	-
Add : Transfer from surplus of statement of Profit & Loss	-	109.21
Closing Balance	109.21	109.21
4.3 (Deficit) in the statement of profit and loss		
Balance as per the last year financial statements	(170.37)	571.52
Less : Profit / (loss) for the year	10.38	(632.68)
Less : Transfer to debenture redemption reserve during the year	-	(109.21)
Closing Balance	(159.99)	(170.37)
Total Reserves and Surplus (4.1 + 4.2 + 4.3)	8 935.98	5 326.29

5 Long Term Borrowing

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Debentures		
2,000 (31 March 2015: 2,000) Redeemable, Non Convertible Debentures of ₹ 1,000,000 each (Secured)	2 000.00	2 000.00
Add: Accrued amount of premium on redemption	170.23	25.38
	2 170.23	2 025.38
1600 (31 March 2015: 1600) Redeemable, Non Convertible Debentures of ₹ 1,000,000 each (Secured)	1 600.00	1 600.00
Add: Accrued amount of premium on redemption	74.92	16.69
	1 674.92	1 616.69
1,405,405 (31 March 2015: 1,405,405) Redeemable, Non Convertible Debentures of ₹ 1,000 each (Secured)	1 405.41	1 405.41
Add: Accrued amount of premium on redemption	154.72	64.52
	1 560.13	1 469.93
Term Loan		
Indian rupee loan from bank (Secured)	-	1 800.00
Loan from Holding Company		
Interest free loan from related party (Unsecured)	779.56	779.56
	6 184.84	7 691.56
Less: Current maturities of long-term borrowings (Refer Note No.9)	-	(360.00)
	6 184.84	7 331.56

Notes:

(a) 2,000 Redeemable Non-Convertible Debentures (NCD) are secured by:

(i) first ranking charge created on 10,71,198 Shares of the Company in the Rohtak Panipat Tollway Private Limited; (ii) the Corporate Guarantee by Sadbhav Engineering Limited (Holding Company); (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

Notes to financial statements for the year ended March 31, 2016

(b) 1,600 Redeemable, Non Convertible debentures (NCD) are secured by:

(i) an unconditional, irrevocable and continuing corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of Sadbhav Engineering Limited (SEL) by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% shareholding of Dhule Palasner Tollway Limited (DPTL) representing 46,082,466 equity shares. However, pending transfer of the shares of DPTL in the name of the Company, 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,600 equity shares have been pledged. (iv) Working Capital Demand Loan (WC DL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

(c) 1,405,405 Redeemable Non Convertible debentures (NCD) are secured by:

(i) Pledge of 19.46% shareholding of the company representing 46,846,725 equity share held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 11,673 equity shares held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee of the Promoters i.e. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company.

NCD has been issued at discount.

(d) Terms of Repayment for:

(i) 2,000 Redeemable Non-Convertible Debentures (NCDs)

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of Year 3 and Year 4 shall have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

(ii) 1,600 Redeemable, Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	480	9%	Bullet Repayment	18-Apr-18
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

The debenture holders at the end of Year 3 and Year 4 shall have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

(iii) 1,405,405 Redeemable Non Convertible debentures (NCD)

NCD is having a floating interest rate carrying from 4.94% to 5.62% which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020.

The Company shall have an option to repay the Facility at End of 4th year and 5th year with the condition that the minimum yield on the entire facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

(iv) Rupee Loan from ICICI Bank Limited:

During the year, the Company has pre-paid entire loan on September 16, 2015 in accordance with mandatory prepay clause of loan agreement. The loan was carrying a floating interest rate based on bank base rate + spread i.e. 13.50%.

(v) Interest free loan from Sadbhav Engineering Limited, Holding Company:

Pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPs) into equity shares, the Company has entered into a Memorandum of Understanding with SEL, whereby SEL has given a commitment to keep the loan balance of ₹ 779.56 Million in SIPL for a period of 11 years from the date of conversion of CCCPs.

Notes to financial statements for the year ended March 31, 2016

6 Provisions

	Long - term		Short - term	
	As at March 31, 2016 (₹ in Million)	As at March 31, 2015 (₹ in Million)	As at March 31, 2016 (₹ in Million)	As at March 31, 2015 (₹ in Million)
Provision of Gratuity (Refer Note 26)	1.10	0.77	0.10	0.03
	1.10	0.77	0.10	0.03

7 Short Term Borrowings

	(₹ in Million)	
	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand		
Loans from related parties (unsecured) (Refer Note 29)	5 326.39	4 677.49
Loan - Others (unsecured) (Refer Note 30(ii)(v))	110.00	110.00
Working capital demand loan from bank (unsecured)	100.00	100.00
	5 536.39	4 887.49

Notes:

(a) Working Capital Demand Loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited (SEL) i.e. the Holding company. The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest from 11.10% to 12% p.a.

(b) Loan from related parties carries interest of 11% p.a. and is repayable on demand/call notice.

(c) Interest free loan from others is repayable on demand.

8 Trade Payables

	(₹ in Million)	
	As at March 31, 2016	As at March 31, 2015
Micro enterprises and small enterprises (Refer Note 32)	-	-
Others	462.35	282.76
	462.35	282.76

9 Other Current Liabilities

	(₹ in Million)	
	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings (Refer note 5)	-	360.00
Advance from Customer	-	181.90
Unearned revenue (Refer Note 31)	64.34	129.94
Interest accrued but not due on borrowing	56.03	66.12
Interest accrued and due on borrowing* (Refer Note 29)	66.47	118.38
Employee emoluments payable	2.30	2.21
Statutory dues payable	22.06	24.38
Initial Public Offer expenses payable	0.97	-
Share application money refundable	0.12	-
Other payable (Refer note 11(a) and 29)	163.71	220.00
	376.00	1 102.93

* Subsequent to year end, the amount is paid to lenders.

10 Tangible Assets

10 Tangible Assets											(₹ in Million)
Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the year	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
(a)	Building-Residential Flat	13.48	-	13.48	-	2.35	0.14	2.48	-	-	11.13
(b)	Office Equipment	0.10	-	-	0.10	0.09	0.01	-	0.10	-	0.01
(c)	Furniture and Fixtures	3.43	-	3.43	-	1.77	0.39	2.16	-	-	1.66
(d)	Computer	0.10	0.04	-	0.13	0.06	0.03	-	0.09	0.04	0.04
(e)	Machineries	-	0.55	-	0.55	-	0.09	-	0.09	0.46	-
	Total	17.11	0.58	16.91	0.78	4.27	0.66	4.64	0.28	0.50	12.84
	Previous Year	17.05	0.06	-	17.11	2.98	1.29	-	4.27	12.84	

Notes to financial statements for the year ended March 31, 2016

11 Non-current Investments

	No. of Shares March 31, 2016	No. of Shares March 31, 2015	March 31, 2016 (₹ in Million)	March 31, 2015 (₹ in Million)
Trade Investments (valued at cost unless stated otherwise)				
Unquoted equity Shares				
Investment in subsidiaries (No. of Shares in actual including held by nominees)				
Ahmedabad Ring Road Infrastructure Ltd.(ARRIL) of ₹ 10/- Each	1,04,60,000	1,04,60,000	1 036.80	1 036.80
Aurangabad Jalna Tollway Ltd. (AJTL) of ₹ 10/- Each	19,71,053	19,71,053	835.73	835.73
Bijapur Hungund Tollway Pvt. Ltd. (BHTPL) of ₹ 10/- Each	7,77,39,200	7,77,39,200	777.39	777.39
Hyderabad Yadgiri Tollway Pvt. Ltd. (HYTPL) of ₹ 10/- Each	32,47,283	32,47,283	173.24	173.24
Rohtak Panipat Tollway Pvt. Ltd. (RPTPL) of ₹ 10/- Each	21,86,445	21,86,445	217.74	217.74
Maharashtra Border Check Post Network Ltd. (MBCPNL) of ₹ 10/- Each	38,910	38,910	280.13	280.13
Shreenathji-Udaipur Tollway Pvt. Ltd. (SUTPL) of ₹ 10/- Each	3,37,43,087	2,07,43,237	337.43	207.43
Bhilwara-Rajsamand Tollway Pvt. Ltd. (BRTPL) of ₹ 10/- Each	1,73,40,000	1,73,40,000	173.40	173.40
Rohtak-Hissar Tollway Pvt. Ltd. (RHTPL) of ₹ 10/- Each	1,07,68,000	1,07,68,000	107.68	107.68
Nagpur Seoni Expressway Ltd. (NSEL) of ₹ 10/- Each	4,79,99,840	4,79,99,840	316.77	316.77
Dhule Palenser Tollway Ltd. (DPTL) of ₹ 10/- Each (Refer note (a) below)	6,87,79,800	-	556.58	-
Total (a)			4 812.89	4 126.30
Investment in associates (No. of Shares in actual)				
Dhule Palenser Tollway Limited (DPTL) of ₹ 10/- Each	-	14,39,200	-	14.39
			-	14.39
			4 812.89	4 140.70
Investment in Property (At Cost unless stated otherwise)				
Cost of Land			2.88	2.88
Total (b)			2.88	2.88
Total (a+b)			4 815.78	4 143.58

Notes:

- (a) The Company has completed the 100% acquisition of equity shares in Dhule Palesner Tollway Private Limited ('DPTL') w.e.f. October 29, 2015 in terms of Restated Share Purchase agreement dated October 29, 2015 with JV partner HCC Concessions Limited ('HCC') The transfer formalities for 21,046,680 equity shares from HCC and 14,031,120 equity shares from SEL were in process as at March 31, 2016.
- (b) The Company has pledged following equity shares from its holding in various SPVs, in favour of lenders for term loan facilities availed by the respective SPVs.

	March 31, 2016			March 31, 2015		
	Total Shares Held	Shares Pledged	% of Shares Pledged	Total Shares Held	Shares Pledged	% of Shares Pledged
ARRIL	1,04,60,000	31,37,940	30.00%	1,04,60,000	25,10,340	24.00%
AJTL	19,71,053	10,08,816	51.18%	19,71,053	10,08,816	51.18%
BRTPL	1,73,40,000	88,43,400	51.00%	1,73,40,000	88,43,400	51.00%
BHTPL	7,77,39,200	2,02,12,192	26.00%	7,77,39,200	2,02,12,192	26.00%
HYTPL	32,47,383	16,56,355	51.01%	32,47,283	16,56,355	51.01%
MBCPNL	38,910	16,780	43.13%	38,910	16,780	43.13%
NSEL	4,79,99,840	4,75,20,000	99.00%	4,79,99,840	1,44,00,000	30.00%
RHTPL	1,07,68,000	54,91,681	51.00%	1,07,68,000	54,91,681	51.00%
RPTPL	21,86,445	11,15,087	51.00%	21,86,445	11,15,087	51.00%
SUTPL	3,37,43,087	1,72,09,052	51.00%	2,07,43,237	1,05,79,052	51.00%
DPTL (Refer Note (a) above)	6,87,79,800	2,26,97,400	33.00%	-	-	-

Notes to financial statements for the year ended March 31, 2016

(C) Following equity shares are pledged in favour of lenders for long term borrowing availed by the company.

	March 31, 2016			March 31, 2015		
	Total Shares Held	Shares Pledged	% of Shares Pledged	Total Shares Held	Shares Pledged	% of Shares Pledged
ARRIL	1,04,60,000	58,57,600	56.00%	1,04,60,000	58,57,600	56.00%
MBCPNL	38,910	11,673	30.00%	38,910	11,673	30.00%
RPTPL	21,86,445	10,71,198	48.99%	21,86,445	10,71,198	48.99%

12 Deferred Tax Asset (net)

In accordance with Accounting Standard 22 "Accounting for Taxes on Income". The components of Deferred Tax Assets and Liability are as under:-

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
Difference in book and tax depreciation	0.17	0.22
Deferred Tax Liability	0.17	0.22
Deferred Tax Assets		
Expenditure debited in statement of profit and loss but allowed under income tax Act in subsequent years	0.17	0.22
Deferred Tax Asset	0.17	0.22
Deferred Tax Asset (Net)	-	-

Note: As on date, the Company has deferred tax asset of ₹ 211.98 million (previous year: ₹ 198.20 million) for business losses and unabsorbed depreciation, however, as a matter of prudence and in the absence of virtual certainty, deferred tax assets has been recognised only to the extent of Deferred Tax Liability in the books and accordingly, deferred tax is nil as on date of balance sheet.

13 Loans and Advances

(₹ in Million)

(Unsecured, considered good unless stated otherwise)		Long - term		Short - term	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
a	Deposits (Refer note 30(i))	2.51	2.51	24.59	0.02
b	Loans and advances to related parties (Refer Note 29)				
	Unsecured Loan Receivable	-	-	2,435.40	2,663.33
	Advance against share purchases	-	267.81	-	-
	Sub-ordinate debt (Refer Note 1 & 2 Below)	16,052.55	13,134.92	-	-
	Others	-	-	28.89	14.18
	Total	16,052.55	13,402.73	2,464.29	2,677.51
c	Advances recoverable in cash or kind				
	Unsecured considered good	-	-	22.08	14.19
d	Inter corporate Loans	-	-	170.37	418.80
e	Others				
	Advance income tax (Net of provision)	118.98	117.76	59.70	-
	Prepaid expenses	-	-	-	0.21
	Tax credits and receivables	4.62	5.37	7.63	6.11
	Total	123.60	123.13	67.33	6.32
	Total (a+b+c+d+e)	16,178.66	13,528.37	2,748.66	3,116.84

Note:

1.) The infrastructure project of the various SPVs have been funded through sub ordinate debt (in the nature of capital contribution) given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entity. These sub-ordinate debt has been given interest free except sub-ordinate debt of ₹ 2796.04 Million as at 31 March 2016 (31 March 2015: ₹ 1,124 Million) given to Dhule Palesnar Tollway Limited ('DPTL') on which interest of ₹ 471.19 Million till September 30, 2015 (31 March 2015: ₹ 414.89 Million) has accrued as per terms of the Loan Agreement with lenders of Dhule Palesnar Tollway Limited. However, the Company has discontinued accrual of interest on sub-debts (including acquired from JV partner) given to DPTL w.e.f. September 30, 2015 in term of assignment agreement entered with JV partner HCC Concessions Limited ('HCC') at the time of acquisition of DPTL.

2.) The sub-ordinate debt is recoverable on fulfilment of financial performance/obligation as per terms and conditions of Loan Agreement with lenders of the respective SPV entities.

Notes to financial statements for the year ended March 31, 2016

14 Inventories

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Project Inventories (Refer note 20)	4.26	-
	4.26	-
Details of Inventory		
Bitumen	4.26	-
	4.26	-

15 Trade Receivables (Unsecured, considered good) (Refer Note 29)

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment	168.01	64.27
Other receivables	203.24	344.15
	371.25	408.42
Trade receivables include:		
Dues from Holding	81.37	
Dues from subsidiaries	289.88	403.72
Dues from associates	-	4.70
	371.25	408.42

16 Other Assets

(₹ in Million)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Unbilled revenue (Refer Note 31)	-	-	15.09	-
Interest receivable on Unsecured loans/sub-ordinate debt to related parties (Refer Note 29 and note below)	471.19	414.89	278.31	184.96
Interest receivable on fixed deposit with bank	-	-	0.74	0.92
Interest receivable from others	-	-	-	40.20
Initial Public Issue expenses	-	-	-	66.18
Unamortised discount on issue of Non Convertible Debentures (NCD)	46.85	67.51	20.67	20.67
	518.04	482.40	314.81	312.93

Notes: Interest receivable on Sub Ordinate Debts is recoverable on fulfilment of financial performance/obligation as per terms and conditions of the loan agreement with lenders of Dhule Palesnar Tollway Limited.

17 Cash and Bank Balance

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Cash on hand	0.01	0.46
Balance with bank		
In current accounts	45.84	14.54
In current accounts earmarks for unpaid share application refund money	0.12	-
	45.97	15.00
Other bank balance		
Deposits with original maturity for more than 3 months but less than 12 months (refer note below)	21.08	21.08
	67.05	36.08

Note: Fixed deposit is lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of Redeemable Non Convertible debentures (NCD) of ₹ 1,405.41 Million.

Notes to financial statements for the year ended March 31, 2016

18 Revenue from Operations (Refer Note No 29)

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Contractual Income		
Engineering, procurement & construction (EPC) and other contract income (Refer note 31 and 35)	688.67	478.44
Operational and maintenance income	81.70	122.64
Sale of Service		
Advisory, project and toll management fees	87.60	99.99
	857.97	701.07

19 Other income

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest income on:		
Corporate loans	324.58	245.61
Sub-ordinate debts	62.55	123.64
Fixed deposit	9.91	1.02
Income tax refund	-	1.27
Others	0.01	0.31
Profit on sale of units of mutual funds	1.31	0.04
Profit on sale of units of fixed assets	7.19	-
Sundry balances written back	0.01	0.09
	405.56	371.98

20 Cost of Materials Consumed

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Inventory at the beginning of the year	-	-
Add : Purchase during the year	6.89	-
	6.89	-
Less : Transfer to unbilled revenue (Refer Note below)	2.63	-
	4.26	-
Less : Inventory at the end of the year (Refer Note 14)	4.26	-
Cost of material consumed	-	-
Details of Inventory		
Bitumen	4.26	-

Note: The operation and maintenance contract on which material is consumed, is in progress at year end and accordingly, the company has not recognised margin on the cost incurred till date and recorded the transaction as unbilled revenue.

21 Sub Contractors Charges

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Construction contract charges to sub-contractors	264.66	370.48
Operation and maintenance charges to sub-contractors	61.85	112.37
Toll management charges to sub-contractor	-	10.72
	326.51	493.57

22 Employee Benefit Expenses

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, allowances, bonus and leave expenses (including managerial remuneration) (refer note no 29)	44.52	41.48
Provident Fund	0.57	0.42
Gratuity Expenses (Refer note no 26)	0.40	0.29
Staff welfare expenses	0.12	0.18
	45.61	42.37

Notes to financial statements for the year ended March 31, 2016

23 Finance Cost

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on:		
Loan from bank and others	1 085.56	877.52
Others	0.12	0.81
Other Finance Cost:		
Premium on redemption of Non convertible debentures	293.28	106.60
Amortisation of discount on issue of Non convertible debentures	20.67	17.22
Bank Charges and other finance costs	0.39	35.37
	1 400.02	1 037.52

24 Other Expenses

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Electricity expenses	1.62	1.67
Rent (refer note no 27)	0.98	1.12
Rates and taxes	4.60	6.71
Repairing & maintenance	1.31	0.22
Insurance	-	0.18
Stamp duty and filing fees	-	29.23
Travelling expenses	1.61	3.98
Communication expense	3.22	0.90
Legal and professional fees	59.41	52.47
Auditors' remuneration (refer below)	1.61	1.03
Director sitting fees	0.63	-
Donation	1.00	-
CSR expenditure	-	5.99
Listing fees	14.86	-
Miscellaneous expenses	3.62	5.94
	94.47	109.44

Payment to auditors

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Towards		
Statutory audit fees (Including Limited Review fees)	1.00	0.85
Certification fees	0.19	-
Consolidated financial statement audit fees	0.40	0.16
Reimbursement of expenses	0.02	0.02
	1.61	1.03

Note: The Company has also paid ₹ 7.52 Million (previous year: ₹ 5.07 Million) to auditors for professional fee for services rendered in respect of Initial Public offering (IPO) of the Company. The expenses is related to fresh issue of equity shares and accordingly it has been adjusted against securities premium account in terms of section 52 of the Companies Act, 2013. (also refer note 34).

Notes to financial statements for the year ended March 31, 2016

25 Earning Per Share (EPS)

(₹ in Million)

		Year Ended March 31, 2016	Year Ended March 31, 2015
(i) Basic Earning / (Loss) Per Share			
Profit / (Loss) after tax for the year available for Equity Shareholders	(a)	10.38	(632.68)
Weighted average number of equity shares outstanding during the year	(b)	33,39,11,611	30,96,98,728
Earnings / (Loss) Per Share (Basic)	(c=b/a)	0.03	(2.04)
(ii) Diluted Earning / (Loss) Per Share			
Profit / (Loss) after tax for the year available for Equity Shareholders		10.38	(632.68)
Add : Interest on Compulsory Convertible Debenture (Net of Tax)		-	0.03
Net Profit / (Loss) after tax for calculation of Diluted EPS	(d)	10.38	(632.65)
Weighted average number of equity shares outstanding during the year	(e)	33,39,11,611	30,96,98,728
Earnings / (Loss) Per Share (Diluted)	(f=d/e)	0.03	(2.04)

26 Employee Benefits :

The disclosures of employee benefits as defined in the Accounting Standard 15 are as below.

Defined Benefit Plan:

The company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (Last draw salary) for each completed year of service. The scheme is unfunded.

The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Accounting Standard, AS 15. Gratuity has been recognized in the financial statements as per details given below:

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Amount recognized in the statement of profit and loss		
Current service cost	0.40	0.20
Interest cost	0.06	0.04
Net Actuarial (Gain) / Losses	(0.06)	0.05
Net amount recognized	0.41	0.29
Balance Sheet		
Liability recognised in the Balance Sheet	1.20	0.80
Liability in the Balance Sheet	1.20	0.80
Changes in present value of defined benefit obligation		
Opening defined benefit obligation	0.80	0.51
Current service cost	0.40	0.20
Actuarial (Gain) / Losses	(0.06)	0.05
Interest cost	0.06	0.04
Closing defined benefit obligation	1.20	0.80
Principal Actuarial assumptions at the Balance Sheet Date		
Discount rate	7.60%	7.80%
Annual increase in salary cost*	6.00%	6.00%
Employee turnover rate	3% to 15% base on Age Band	1% to 5% base on Age Band

* The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factor such as supply and demand in employment market.

Notes to financial statements for the year ended March 31, 2016

Amounts for the current and previous periods are as follows

(₹ in Million)

	31st March 2016	31st March 2015	31st March 2014	31st March 2013
Defined benefit obligation	1.20	0.80	0.51	0.39
Plan assets	-	-	-	-
Surplus / (deficit)	(1.20)	(0.80)	(0.51)	(0.39)
Experience adjustments on plan liabilities	(0.23)	(0.07)	(0.03)	(0.02)
Experience adjustments on plan assets	-	-	-	-

- 27 The company has taken office space on operating leases basis. During the year, the Company has incurred ₹ 0.98 Million (Previous year ₹ 0.98 Million) towards rent for office space. There are no sub-leases and the leases are cancellable in nature. There are no restrictions imposed under the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.

28 Segment information

(₹ in Million)

	Contract Income		Project Operations, Management and Advisory Services		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue						
External Revenue	770.37	601.08	87.60	88.70	857.97	689.78
Others	-	-	-	-	-	11.29
Total Revenue	770.37	601.08	87.60	88.70	857.97	701.07
Expenses	(354.71)	(505.96)	(17.42)	(25.16)	(372.13)	(531.12)
Results						
Segment Results	415.66	95.12	70.18	63.54	485.84	158.66
Others	-	-	-	-	-	0.56
Unallocated Corporate Expense	-	-	-	-	(95.12)	(104.82)
Operating Profit					390.72	54.40
Unallocated						
Finance Costs	-	-	-	-	(1 400.02)	(1 037.52)
Other income including Finance income	-	-	-	-	405.56	371.98
Loss before tax and exceptional item					(603.74)	(611.14)
Exceptional item					616.00	-
Profit/ (Loss) before tax					12.26	(611.14)
Other Information						
Segment Assets	366.77	417.42	105.65	64.75	472.42	482.17
Unallocated Asset	-	-	-	-	24 546.59	21 559.29
Total Assets	366.77	417.42	105.65	64.75	25 019.01	22 041.46
Segment Liabilities	423.13	594.60	-	-	423.13	594.60
Unallocated Liabilities	-	-	-	-	12 137.65	13 010.94
Total Liabilities	423.13	594.60	-	-	12 560.78	13 605.54
Unallocated depreciation	-	-	-	-	0.66	1.29

Notes:

The Secondary Segment i.e. Geographical Segment is not a reportable segment as per Accounting Standard - 17, hence the details thereof are not given.

Notes to financial statements for the year ended March 31, 2016

29 Related Party disclosures

Name of Related Parties and related party relationship

(a) Related Parties where control exists

Holding Company	Sadbhav Engineering Limited (SEL)
Subsidiaries	Ahmedabad Ring Road Infrastructure Limited (ARRIL) Aurangabad Jalna Toll Way Limited (AJTL) Bijapur Hungund Tollway Private Limited (BHTPL) Hyderabad Yadgiri Tollway Private Limited (HYTPL) Rohtak Panipat Tollway Private Limited (RPTPL) Maharashtra Border Check Post Network Limited (MBCPNL) Nagpur Seoni Express Way Limited (NSEWL) Shreenathji-Udaipur Toll way Private Limited (SUTPL) Bhilwara-Rajsamand Toll way Private Limited (BRTPL) Rohtak Hissar Tollway Private Limited (RHTPL) Dhule Palesnar Tollway Limited (DPTL) (w.e.f. October 29, 2015) Solapur-Bijapur Tollway Private Limited (SBTPL) (Up to March 11, 2015)

(b) Related parties with whom transactions have taken place during the year

Key management personnel (KMP)	Mr. Vasistha C Patel, Managing Director
Enterprises over which the company having significant influence	Dhule Palesnar Tollway Limited (DPTL) (upto October 29, 2015)
Enterprises over which holding company is able to exercise significant influence	Mumbai Nasik Express Way Limited (MNEL) (upto February 29, 2016)
Enterprises having significant influence under the contract	Norwest Venture Partners VII-A-Mauritius (Norwest) (upto October 22, 2014) Xander Investment Holding XVII Limited (Xander) (upto October 22, 2014)
Fellow Subsidiary	Mysore-Bellary Highway Pvt. Ltd. (MBHPL)

Note: The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(c) Transactions with Related Parties during the year

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	Interest expense on CCDs														
	SEL	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-
2	Unsecured Loan Taken														
	SEL	4 968.26	5 847.23	-	-	-	-	-	-	-	-	-	-	-	-
3	Unsecured Loan Repaid (Including Interest)														
	SEL	5 009.69	4 749.38	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	14.16	199.28	-	-	-	-	-	-	-	-	-	-
4	Conversion of SEL CCDs in to Equity														
	SEL	-	750.00	-	-	-	-	-	-	-	-	-	-	-	-
5	Issue of Fresh Equity Share / Bonus Share														
	SEL	-	2 188.49	-	-	-	-	-	-	-	-	-	-	-	-
	Vasistha C Patel	-	-	-	-	-	-	-	-	-	-	-	-	-	5.00
	Norwest Venture Partners VII-A-Mauritius (Norwest)	-	-	-	-	-	294.16	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2016

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	Xander Investment Holding XVII Limited (Xander)	-	-	-	-	-	294.16	-	-	-	-	-	-	-	-
6	Conversion of CCCPS into Equity Shares (including Security Premium)														
	Norwest Venture Partners VII-A- Mauritius (Norwest)	-	-	-	-	-	500.00	-	-	-	-	-	-	-	-
	Xander Investment Holding XVII Limited (Xander)	-	-	-	-	-	500.00	-	-	-	-	-	-	-	-
7	Unsecured Loan Converted in to Interest Free Loan														
	SEL	-	779.56	-	-	-	-	-	-	-	-	-	-	-	-
8	Interest Expense														
	SEL	652.26	491.12	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	0.31	5.84	-	-	-	-	-	-	-	-	-	-
9	Investments made														
	DPTL	-	-	-	-	-	-	-	8.09	-	-	-	-	-	-
10	Purchase of Share in SPV entities														
	SEL	186.92	310.14	-	-	-	-	-	-	-	-	-	-	-	-
11	Advance for purchase of investments														
	SEL	-	127.01	-	-	-	-	-	-	-	-	-	-	-	-
12	Unsecured Loan Given														
	AJTL	-	-	63.90	367.30	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	13.20	-	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	1 212.60	63.75	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	138.81	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	21.40	174.50	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	146.70	1 710.00	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	6.50	39.57	-	-
	NSEL	-	-	17.80	32.40	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	1 031.20	31.70	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	-	485.30	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	13.60	-	-	-	-	-	-	-	-	-	-	-
13	Unsecured Loan (including interest), Received back														
	AJTL	-	-	49.67	159.97	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	13.42	-	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	1 095.66	51.97	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	24.45	15.40	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	813.78	97.53	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	-	38.67	-	-
	DPTL	-	-	1.07	-	-	-	-	12.36	-	-	-	-	-	-
	MNEL	-	-	-	-	-	-	-	-	188.34	1.41	-	-	-	-
	NSEL	-	-	18.80	5.68	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	743.39	20.98	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	7.23	4.91	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-
14	Sub Ordinate Debt Given														
	BRTPL	-	-	-	1 311.26	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	45.01	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	-	192.70	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	-	2.00	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	24.00	634.99	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	1 357.50	1 645.57	-	-	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2016

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
15	Sub ordinate Debt received back														
	BRTPL	-	-	-	664.92	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	50.00	305.30	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	225.90	614.00	-	-	-	-	-	-	-	-	-	-
16	Advance Recovered Against Contract														
	MBCPNL	-	-	181.90	-	-	-	-	-	-	-	-	-	-	-
17	Sale of Services (Including Contract Revenue)														
	(Excluding service tax) (Refer note 2 below)														
	AJTL	-	-	25.80	15.50	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	12.00	254.17	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	-	16.50	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	9.60	-	-	-	-	1.20	-	-	-	-	-	-
	HYTPL	-	-	25.39	24.12	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	215.33	220.63	-	-	-	-	-	-	-	-	-	-
	NSEL	-	-	22.92	82.39	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	43.35	53.93	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	6.25	-	-	-	-	-	-	-	-	-	-	-
	SEL	497.33	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Expenses incurred on behalf & Recovered														
	SEL	27.72	49.87	-	-	-	-	-	-	-	-	-	-	-	-
	AJTL	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	-	0.57	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	0.25	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	0.14	0.01	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	23.93	4.15	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	-	26.62	-	-
	RHTPL	-	-	-	9.36	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	0.01	0.10	-	-	-	-	-	-	-	-	-	-
	SBTPL	-	-	-	0.15	-	-	-	-	-	-	-	-	-	-
19	Interest Income														
	AJTL	-	-	58.72	49.73	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	0.22	-	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	0.38	0.90	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	67.65	-	-	-	-	123.64	-	-	-	-	-	-
	HYTPL	-	-	19.50	6.01	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	62.50	33.88	-	-	-	-	-	-	-	-	-	-
	MNEL	-	-	-	-	-	-	-	-	13.05	14.13	-	-	-	-
	NSEL	-	-	63.03	56.80	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	0.11	0.28	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	72.27	49.14	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-
20	Receipt of Services and Material (excluding tax)														
	SEL	21.13	72.18	-	-	-	-	-	-	-	-	-	-	-	-
21	Rent Paid (excluding Service tax)														
	SEL	0.90	0.90	-	-	-	-	-	-	-	-	-	-	-	-
22	Fixed Assets Sold														
	SEL	20.50	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Remuneration														
	Vasistha Patel	-	-	-	-	-	-	-	-	-	-	-	-	3.25	3.25

Notes to financial statements for the year ended March 31, 2016

(d) Balances at the year end

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	Trade Receivable (including retention money)														
	AJTL	-	-	36.78	27.94	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	29.48	180.88	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	20.93	-	-	-	-	4.70	-	-	-	-	-	-
	HYTPL	-	-	5.47	2.99	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	154.03	147.20	-	-	-	-	-	-	-	-	-	-
	NSEL	-	-	27.81	37.14	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	9.20	7.51	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	6.18	-	-	-	-	-	-	-	-	-	-	-
	SEL	81.37	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Unsecured Loan Given														
	AJTL	-	-	546.48	508.76	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	130.00	11.90	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	138.81	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	177.64	162.45	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	21.80	748.21	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	7.40	0.90	-	-
	MNEL	-	-	-	-	-	-	-	-	-	137.16	-	-	-	-
	NSEL	-	-	556.45	538.65	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	287.92	-	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	555.30	555.30	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	13.60	-	-	-	-	-	-	-	-	-	-	-
3	Sub-Ordinate Debt Given														
	AJTL	-	-	282.00	282.00	-	-	-	-	-	-	-	-	-	-
	BHTPL	-	-	843.92	843.92	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	1 159.60	1 159.60	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	2 796.04	-	-	-	-	1 124.00	-	-	-	-	-	-
	HYTPL	-	-	1 017.23	1 017.23	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	3 856.13	3 766.13	-	-	-	-	-	-	-	-	-	-
	NSEL	-	-	118.29	118.29	-	-	-	-	-	-	-	-	-	-
	RHTPL	-	-	993.12	969.12	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	2 209.06	2 209.06	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	2 777.17	1 645.57	-	-	-	-	-	-	-	-	-	-
4	Advance Towards Purchase of Shares														
	SEL	-	267.81	-	-	-	-	-	-	-	-	-	-	-	-
5	Interest Receivable														
	AJTL	-	-	39.49	4.26	-	-	-	-	-	-	-	-	-	-
	BRTPL	-	-	-	0.78	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	4.58	-	-	-	-	-	-	-	-	-	-	-
	HYTPL	-	-	4.34	3.07	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	5.69	23.86	-	-	-	-	-	-	-	-	-	-
	MNEL	-	-	-	-	-	-	-	-	-	38.14	-	-	-	-
	NSEL	-	-	114.21	69.98	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	109.92	44.88	-	-	-	-	-	-	-	-	-	-
	SUTPL	-	-	0.09	-	-	-	-	-	-	-	-	-	-	-
6	Interest Receivable on Sub Debt														
	DPTL	-	-	471.19	-	-	-	-	414.89	-	-	-	-	-	-
7	Interest Payable														
	SEL	66.47	117.91	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	-	0.47	-	-	-	-	-	-	-	-	-	-
8	Advance Against Contract														
	MBCPNL	-	-	-	181.90	-	-	-	-	-	-	-	-	-	-
9	Trade Payable														
	SEL	63.15	71.25	-	-	-	-	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended March 31, 2016

(₹ in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Enterprise having significant influence under contract		Enterprises over which the company having significant influence		Enterprises over which holding company is able to exercise significant influence		Fellow Subsidiary		Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
10	Expense Receivable														
	BRTPL	-	-	-	1.08	-	-	-	-	-	-	-	-	-	-
	DPTL	-	-	0.25	-	-	-	-	-	-	-	-	-	-	-
	MBCPNL	-	-	28.89	4.97	-	-	-	-	-	-	-	-	-	-
	MBHPL	-	-	-	-	-	-	-	-	-	-	-	8.12	-	-
	SUTPL	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-
11	Expense Payable														
	SEL	97.72	68.99	-	-	-	-	-	-	-	-	-	-	-	-
	RPTPL	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-
12	Interest on 0.01% Unsecured CCD														
	SEL	-	0.14	-	-	-	-	-	-	-	-	-	-	-	-
13	Unsecured Loan Taken														
	SEL	5 326.39	4 664.11	-	-	-	-	-	-	-	-	-	-	-	-
	ARRIL	-	-	-	13.38	-	-	-	-	-	-	-	-	-	-
14	Payable for Share acquisition														
	SEL	163.71	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Interest Free Unsecured Loan Taken														
	SEL	779.56	779.56	-	-	-	-	-	-	-	-	-	-	-	-
16	Managerial Remuneration Payable														
	Vasistha Patel	-	-	-	-	-	-	-	-	-	-	-	-	0.33	0.25
	Varun Mehta	-	-	-	-	-	-	-	-	-	-	-	-	0.22	0.22
	Gaurav Vesasi	-	-	-	-	-	-	-	-	-	-	-	-	0.08	0.08

Notes:

- Non convertible debenture of ₹ 5,405.28 Million as at 31 March 2016 (31 March 2015: ₹ 5,112.00 Million) is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% of its shareholding in the Company to the lenders.
- The sale of service include unearned revenue of ₹ 64.34 Million accounted during the year as of the order from one of its subsidiary as per the company policy.
- The company has converted short term loan given to Maharashtra Border Check Post Network Limited of ₹ 140.00 Million (Previous year ₹ 1,217.23 Million) into a sub-ordinate debts during the year.

30 Contingent liabilities and commitments

(₹ in Million)

I Contingent Liabilities	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts		
Service Tax*	43.48	43.48
	43.48	43.48

* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal and received stay order from tribunal for recoveries of demands against deposit of ₹ 2.5 Millions. The matter is pending with Tribunal as at reporting date.

(₹ in Million)

II Commitments	As at March 31, 2016	As at March 31, 2015
The followings are the estimated amount of contractual commitments of the company:		
(i) EPC Sub-Contract Commitments	899.17	949.40
(ii) Other Commitments towards sub ordinate debts/equity shares in various subsidiaries	-	1,261.60

Notes to financial statements for the year ended March 31, 2016

(iii) The BOT projects of subsidiary companies viz. ARRIL, AJTL, MBCPNL, BHTPL, HYTPL, RPTPL, NSEL, SUTPL, BRTPL, RHTPL and DPTL have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its shares in the respective subsidiary company, details of which is as follows:

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge As at March 31, 2016	% of Shares to Pledge As at March 31, 2015
	Upto Commercial Operation	After Commercial Operation		
ARRIL	70%	45%*	30.00%	30.00%
BHTPL	51%	26%	51.00%	51.00%
RPTPL	51%	51%	51.00%	51.00%
HYTPL	51%	51%	51.01%	51.01%
RHTPL	51%	51%	51.00%	51.00%
NSEL	30%	99%	99.00%	30.00%
AJTL	51%	51%	51.00%	51.00%
MBCPNL	70%	51%	51.00%	51.00%
SUTPL	51%	51%	51.00%	51.00%
DPTL	51%	33%	33.00%	0.00%
BRTPL	51%	51%	51.00%	51.00%

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (iv) The Company has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt. Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals. The transaction is subject to fulfilment of condition precedents under the agreements.
- (v) The Company had entered into an agreement dated September 18, 2013 to sell 9.93% equity shareholding of Maharashtra Border Check Post Network Limited (MBCPNL) to D. Thakkar Construction Private Limited. Further, the Company has also entered into an agreement dated November 4, 2014 with SEL to purchase 10% of equity shareholding in MBCPNL. Both these transaction are subject to compliance of condition precedents under the agreement which are pending as at year end. As at 31 March 2016, the Company has also outstanding unsecured loan of ₹ 110 million from D. Thakkar Construction Private Limited (refer note 7).

31 Disclosure in respect of Construction Contracts

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
I Contract revenue recognized as revenue in the year	688.67	478.44
II For Contracts that are in progress:-		
a. Contract costs incurred and recognized upto reporting date	1,798.37	2,052.55
b. Profits (less recognized losses) upto reporting	1,080.30	673.10
c. Advances received	-	181.90
d. Retention Money	29.56	29.44
III Unbilled Revenue	15.09	-
IV Unearned Revenue	64.34	129.94

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

Notes to financial statements for the year ended March 31, 2016

- 32** As per intimation available with the Company, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.
- 33** The minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 in the year 2013-14 with the Company Law Board - Mumbai Bench against Sadbhav Engineering Ltd. (SEL), a holding Company and its associates/affiliates wherein the company is also defendant. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL / affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order dated January 8, 2014 in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB was stayed. However, later on the Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal on September 15, 2014 under Letters Patent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. During the year, the LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management represents that no liability is likely to devolve in the matter on the Company.
- 34** Pursuant to Initial Public Offering (IPO), 47,733,659 equity shares of the Company of ₹ 10 each were offered to public at price of ₹ 103 per equity share consisting of fresh issues of 41,262,135 equity shares and offer for sale of 6,471,524 equity shares by the existing shareholders. The equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited w.e.f 16th September, 2015. The Company has incurred expenses of ₹ 238.07 million (net of recovery) related to fresh issue of equity shares which has been adjusted against securities premium account in terms of section 52 of the Companies Act, 2013.

Details of utilization of IPO Proceeds are as follows:-

(₹ in Million)

Sr. No.	Particulars	Objects of the issue as per Prospectus	Total utilization upto March 31, 2016
1	Repayment of rupee loan facility from ICICI Bank Limited	1,800.00	1,800.00
2	Part repayment of unsecured loans from Sadbhav Engineering Limited, corporate promoter	848.40	848.40
3	Advancing of Subordinate Debt to Subsidiary, Shreenathji Udaipur Tollway Private Limited	820.00	820.00
4	General Corporate Purposes	541.15	541.15
5	Fresh issue related expenses (only those apportioned to the Company)*	240.45	*240.45
	Total	4,250.00	4,250.00

* Includes surplus of ₹ 2.38 million arising after meeting issue related expenses, which have been utilised towards general corporate purposes.

- 35** During the year, the contract Income includes cost escalation claim, of ₹ 44.06 Million (31 March 2015: ₹ 72.87 Million) from Maharashtra Border Check Post Network Limited in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.
- 36** During the year, the Company has transferred its rights in the 1,04,00,000 equity shares of Mumbai Nasik Expressway Limited (MNEL) at a consideration of ₹ 720.00 million. The profit made on sale of rights in equity shares of ₹ 616.00 million (i.e. net of cost of ₹ 104.00 million) has been accounted as an exceptional item in the statement of profit and loss for year ended March 31, 2016.

Notes to financial statements for the year ended March 31, 2016

- 37 The following are the details of loans and advances in the nature of loans (includes in the nature of sub-ordinate debts) given to subsidiaries, associates and other entities.

in which directors are interested in terms of regulation 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015). (₹ in Million)

Name of Entities	Outstanding amount as at		Maximum amount Outstanding during the year	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Ahmedabad Ring Road Infrastructure Limited	-	-	13.20	-
Aurangabad Jalna Toll Way Limited	828.48	790.76	835.28	932.37
Bijapur Hungund Tollway Private Limited	843.92	843.92	843.92	843.92
Bhilwara-Rajsamand Toll way Private Limited	1,289.60	1,171.50	1,507.29	1,195.05
Dhule Palesnar Tollway Limited	2,934.85	1,124.00	2,934.85	1,124.00
Hyderabad Yadgiri Tollway Private Limited	1,194.87	1,179.68	1,201.08	1,179.68
Maharashtra Border Check Post Network Limited	3,877.93	4,514.33	4,720.31	4,851.68
Nagpur Seoni Express Way Limited	674.74	656.94	674.74	722.31
Rohtak Hissar Tollway Private Limited	1,281.04	969.12	1,323.26	989.82
Rohtak Panipat Tollway Private Limited	2,764.36	2,764.36	2,764.36	2,803.89
Shreenathji-Udaipur Toll way Private Limited	2,790.77	1,645.57	2,790.77	1,645.57
Mumbai Nasik Express Way Limited	-	137.16	137.16	162.58
Mysore-Bellary Highway Pvt. Ltd.	7.40	0.90	7.40	38.47

Note - All loans are given on interest bearing excepts loan given as sub-debts (in the nature of capital contribution) which is interest free given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entity.

- 38 Previous year figures have been regrouped/reclassified wherever necessary, to confirm this year's classification.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Consolidated Balance Sheet

Independent Auditors' Report on the Consolidated Financial Statements

To,
The Members of **Sadbhav Infrastructure Project Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Sadbhav Infrastructure Project Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 37 of the consolidated financial statements in respect of acceptance and accounting of Intangible Asset/ Intangible Asset under development of ₹ 1,740.57 million under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a subsidiary company, based upon the recommendation made by the project lenders' engineer and technical experts appointed by the project authorities. Pending final approval by the Government of Maharashtra, no further cost

adjustments are considered necessary in these financial statements.

Our conclusion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (a) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note 32(I) to the consolidated financial statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 28,024.06 million as at March 31, 2016, and total revenues and net cash outflows of ₹ 1,030.47 million and ₹ 369.70 million respectively for the year ended on that date, in respect of 3 subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

Arpit K. Patel
Per Partner
Membership Number: 34032

Place of Signature : Ahmedabad
Date : April 23, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number: 106041W

K. C. Patel
Per Partner
Membership Number: 30083

Place of Signature : Ahmedabad
Date : April 23, 2016

Annexure 1 to the Independent auditors' report of even date on the Consolidated Financial Statement of Sadbhav Infrastructure Project Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To,
The Members of **Sadbhav Infrastructure Project Limited**

In conjunction with our audit of the consolidated financial statements of Sadbhav Infrastructure Project Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Sadbhav Infrastructure Project Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 23, 2016 expressed and unqualified opinion.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

Arpit K. Patel
Per Partner
Membership Number: 34032

Place of Signature : Ahmedabad
Date : April 23, 2016

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration Number: 106041W

K. C. Patel
Per Partner
Membership Number: 30083

Place of Signature : Ahmedabad
Date : April 23, 2016

Consolidated Balance Sheet as at March 31, 2016

(₹ in Million)

	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	2	3,522.25	3,109.63
(b) Reserves and Surplus	3	7,992.61	4,699.47
		11,514.86	7,809.10
(2) Minority Interest		438.34	569.59
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	73,882.37	57,061.82
(b) Other Long Term Liabilities	5	32,324.27	22,329.92
(c) Long- term Provisions	6	2,040.86	996.52
		1,08,247.50	80,388.26
(4) Current Liabilities			
(a) Short-Term Borrowings	7	5,639.39	4,977.11
(b) Trade Payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		550.95	400.29
(c) Other Current Liabilities	9	4,393.85	4,641.61
(d) Short-Term Provisions	6	288.49	94.31
		10,872.68	10,113.32
Total		1,31,073.38	98,880.27
II Assets			
(1) Non-current assets			
(a) Fixed Assets	10		
(i) Tangible Assets		216.66	219.68
(ii) Intangible Assets		1,04,729.73	70,301.15
(iii) Capital Work-in-Progress		-	6.68
(iv) Intangible Assets under Development		20,081.63	19,377.84
		1,25,028.02	89,905.35
(b) Goodwill on Consolidation	10	3,272.17	1,332.75
(c) Non- Current Investments	11	20.89	34.38
(d) Deferred Tax Assets (net)	12	-	-
(e) Long-Term Loans and Advances	13	356.33	3,631.78
(f) Other Non-Current Assets	14	159.83	535.34
		1,28,837.24	95,439.60
(2) Current assets			
(a) Current investments	15	239.35	47.01
(b) Inventories	16	4.26	-
(c) Trade Receivables	17	187.87	140.18
(d) Cash and Bank Balances	18	892.72	1,695.63
(e) Short-term loans and advances	13	434.39	634.07
(f) Other Current Assets	14	477.55	923.78
		2,236.14	3,440.67
Total		1,31,073.38	98,880.27

Significant Accounting Policies 1
Accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Date : April 23, 2016
Place : Ahmedabad

Date : April 23, 2016
Place : Ahmedabad

Date : April 23, 2016
Place : Ahmedabad

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2016

(₹ in Million)

	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
I Revenue from Operations	19	7,421.96	5,106.46
II Other income	20	201.88	285.88
III Total Revenue (I+II)		7,623.84	5,392.34
IV Expenses			
(a) Cost of materials consumed	21	-	-
(b) Operating Expenses	22	1,902.51	1,635.46
(c) Employee benefits expenses	23	304.16	243.00
(d) Other expenses	25	442.43	387.41
Total Expenses (a+b+c+d)		2,649.10	2,265.87
V Profit before Finance costs, depreciation and amortisation, exceptional items and tax expense (EBITDA) (III-IV)		4,974.74	3,126.47
(a) Finance costs	24	6,397.56	5,259.15
(b) Depreciation and Amortisation	10	2,024.89	1,417.77
VI (Loss) before exceptional items and tax expense (IV-V)		(3,447.71)	(3,550.45)
VII Exceptional Item (Refer note 40)		(616.00)	(116.54)
VIII (Loss) before Tax (VI-VII)		(2,831.71)	(3,433.91)
IX Tax expense:			
(a) Current Tax		1.77	-
(b) Adjustment for tax relating to earlier year		(96.33)	21.35
(c) Deferred Tax - Charge		-	0.22
		(94.56)	21.57
X (Loss) after tax for the year before share of losses of minority interest (VIII-IX)		(2,737.15)	(3,455.48)
Less: Share of (Loss) attributable to Minority Interest		(131.25)	(302.09)
Add: Share of (Loss) of Minority Interest of Earlier Years		-	(279.63)
XI (Loss) for the year after minority interest		(2,605.90)	(3,433.02)
XII Earning per equity share of ₹ 10/- each	26		
Basic		(7.80)	(11.09)
Diluted		(7.80)	(11.08)

Significant Accounting Policies

1

Accompanying notes form an integral part of consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Consolidated Cash Flow Statement for the Year Ended on March 31, 2016

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before tax as per Consolidated Statement of Profit and Loss	(2,831.71)	(3,433.91)
Adjustments for:		
Depreciation and amortisation	2,024.89	1,417.77
Exceptional item (refer note 40)	(616.00)	(116.54)
(Profit) / loss on sale of tangible assets	(17.14)	0.67
Interest expense	5,854.23	4,946.33
Dividend income	-	(0.62)
Profit on sale of Investments (net)	(38.38)	(79.76)
Interest income	(140.57)	(193.41)
Bad debts written off and provision for doubtful debt	0.50	1.10
Sundry balances written back	(0.41)	(10.18)
Operating Profit before working capital changes	4,235.41	2,531.45
Adjustments for:		
(Increase) / Decrease in trade receivables	(48.19)	1.94
Decrease / (Increase) in loans and advances	152.91	(79.71)
Decrease / (Increase) in other assets	328.73	(178.53)
(Increase) in inventories	(4.26)	-
Increase / (Decrease) in trade payables	151.07	(59.70)
Increase / (Decrease) in other liabilities	(1,057.59)	(68.22)
Increase in provisions	1,068.69	564.14
Cash generated from operations	4,826.79	2 711.37
Direct taxes paid (net)	(74.64)	(69.07)
Net cash generated from operating activities (A)	4,752.15	2 642.30
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Intangible asset under development)	(13,105.00)	(10,246.99)
Proceeds from sale of tangible assets	36.88	0.25
Payment of additional concession fees	-	(300.65)
Proceeds from transfer of long term beneficial equity Interest	720.00	-
Payment towards acquisition of Subsidiary / Minority Interest (including sub-ordinate debt taken over)	(550.29)	(1,286.69)
Unsecured loans given	(38.31)	(221.84)
Unsecured loan received back	137.16	-
Investments in bank deposits (having original maturity of more than three months)	(3,526.30)	(21.08)
Proceeds from bank deposits (having original maturity of more than three months)	3,558.88	-
Proceeds from sale of non-current investment	8.08	-
Payment towards purchase of non-current investment	(0.90)	(10.98)
Proceeds from sale of units of Mutual Fund (Net) (including realised gain)	(153.96)	1,061.34
Dividend received	-	0.62
Interest received	185.88	70.07
Net cash (used in) investing activities (B)	(12,727.88)	(10 955.95)

Consolidated Cash Flow Statement for the Year Ended on March 31, 2016

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Initial Public Offer (IPO) of equity shares (including security premium)	4,413.78	-
Repayment of excess amount received pursuant to IPO	(163.66)	-
Grant from Government Authorities (in the nature of promoters contribution)	2,629.42	1,303.03
Share issue expenses	(170.91)	(66.18)
Proceeds from long-term borrowings	28,290.20	13,789.31
Repayment of long term borrowings	(23,023.43)	(940.29)
Proceeds from short-term borrowings	4,968.26	6,007.64
Repayment of short-term borrowings	(4,305.99)	(4,258.26)
Interest expense paid	(5,488.80)	(6,365.40)
Net cash generated from financing activities (C)	7,148.87	9 469.85
Net increase in cash and cash equivalents (A+B+C)	(826.86)	1 156.20
Cash and cash equivalents at beginning of the year	1,674.55	518.35
Cash and cash equivalents on acquisition of subsidiary	23.95	-
Cash and cash equivalents at end of the year	871.64	1 674.55

Notes:

(i) Components of cash and cash equivalents:

(₹ in Million)

Particulars	March 31, 2016	March 31, 2015
Cash on hand	38.72	24.28
Balances with scheduled banks:		
- In current accounts	580.70	1 320.24
- In current accounts earmarked for unpaid share application refund money	0.12	-
- In deposit accounts earmarked for Debt Service Reserve (DSR)	252.10	330.03
Cash and cash equivalents as per Note 18	871.64	1 674.55

(ii) The above cash flow does not include receipts of ₹ 666.57 Million (Previous year : ₹ Nil) towards proceeds of offer for sale (OFS) of 6,471,524 equity shares on behalf of the selling shareholders in the Initial Public Offering (IPO) which has also been repaid (net of expenditure related to OFS) to them during the year.

(iii) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement" notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

(iv) Figures in brackets represent outflows.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Notes on Accounts forming part of Consolidated Financial Statements

1. Corporate Information, Principles of Consolidation and Significant Accounting Policies

A Corporate Information:

Sadbhav Infrastructure Project Limited ("the Company" or "SIPL") is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements.

The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a listed company, engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

In terms of Reserve Bank of India directive with regards to systematically important Core Investment Companies (Reserve Bank) Directions 2011, the Company is not required to be registered with Reserve Bank of India for the year 2015-16, based on eligibility criteria evaluated on audited financial statements for the year ended March 31, 2015.

B Principles of Consolidation:

The consolidated financial statements relate to Sadbhav Infrastructure Project Limited and its subsidiary companies, (hereinafter referred to as the "Group Companies" or "Group") as at March 31, 2016. In the preparation of consolidated financial statements, investment in the subsidiaries, have been accounted for in accordance with Accounting Standard (AS) 21-'Consolidated Financial Statements', as notified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired during the year are included in the Statement of Profit and Loss from the effective date of acquisition and continues to be consolidated until the date that such control ceases (including through voting rights). All significant intra group balances or transactions have been eliminated on consolidation except for transactions specified in note B(ii). Unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the post - acquisition change in the relevant results of the subsidiaries.
- (ii) The Build, Operate & Transfer (BOT)/ Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realised. Accordingly the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.
- (iii) The excess of cost of the Company's investments in each subsidiary, over the Company's share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet and is tested for impairment annually. The excess of the Group's share in equity of each subsidiary, at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet. Any change in the cost of the investment in subsidiary post the acquisition thereof is effected by way of change in the goodwill on consolidation or capital reserve on consolidation, as the case may be.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit and loss and consolidated balance sheet, separately from parent shareholders' equity. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

- (iv) The Financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies consistent with the company's standalone financial statements for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements. Any variation in accounting policies is disclosed separately.

Notes on Accounts forming part of Consolidated Financial Statements

- (v) The list of subsidiaries, jointly controlled entities and associate Company included in the consolidation and the company's holding therein are as under:

Sr. No.	Name of Subsidiary	Country of Incorporation	Hereinafter referred to as	Proportion of Ownership Interest	
				As at March 31, 2016	As at March 31, 2015
1	Ahmedabad Ring Road Infrastructure Limited	India	ARRIL	100%	100% #
2	Aurangabad Jalna Toll Way Limited	India	AJTWL	100%	100%
3	Bijapur Hungud Tollway Private Limited	India	BHTPL	77%	77%
4	Hyderabad Yadgiri Tollway Private Limited	India	HYTPL	100%	100% #
5	Maharashtra Border Check Post Network Ltd	India	MBCPL	78%	78% #
6	Rohtak Panipat Tollway Private Limited	India	RPTPL	100%	100%
7	Shreenathji-Udaipur Tollway Private Limited	India	SUTPL	100%	100% #
8	Bhilwara-Rajsamand Tollway Private Limited	India	BRTPL	100%	100% #
9	Rohtak Hissar Tollway Private Limited	India	RHTPL	100%	100% #
10	Nagpur-Seoni Expressway Limited	India	NSEWL	100%	100%
11	Dhule Palesner Tollway Limited (Refer note 1 below)	India	DPTL	100% #	1%

Additional acquisition during the respective financial year.

Notes:

- The Company has completed the 100% acquisition of equity shares in Dhule Palesner Tollway Private Limited ('DPTL') w.e.f. October 29, 2015 in terms of Restated Share Purchase agreement dated October 29, 2015 with JV partner HCC Concessions Limited ('HCC') The transfer formalities for 21,046,680 shares from HCC and 14,031,120 shares from SEL were in process as at March 31, 2016.

C Basis of preparation of Consolidated Financial Statements:

The Consolidated Financial Statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Group has presented these consolidated financial statements to comply in all material respects with Accounting Standard specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

D Significant Accounting Policies:

(a) Use of Estimates:

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Accounting for Rights under Concession Arrangements:

(i) Recognition and Measurement

The Group builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the subsidiary companies receives the completion certificate from the authority as specified in the Concession Agreement and in case of MBCPNL (entity operating multiple border checkpoints in the state of Maharashtra), each check post is capitalised when the MBCPNL receives completion certificate from the authority. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted by the Group companies.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Right for Annuity fees" under Intangible assets, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements.

Notes on Accounts forming part of Consolidated Financial Statements

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the Concession Agreements is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

(ii) Premium capitalisation

Under some of the concession agreements, the Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognised upfront on an undiscounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets - Toll Collection Right' and corresponding obligation for committed premium is recognised as liabilities.

(iii) Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

(iv) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will follow to the group and the revenue can be reliably measured. Following is the specific recognition criteria must also be met before income is recognised.

(a) Toll / Infrastructure Service Income:

The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll-plazas / usage of the public services. In case of NSEL, annuity income for the project is recognised on accrual basis.

Revenue from Operating and Maintenance Services and from overlay services is recognised in the period in which such services are rendered.

(b) Contractual Income:

Contract revenue and costs associated with project related activities is recognized as by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unearned Revenue".

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it is probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

(v) Borrowing cost

In respect of an intangible asset, borrowing costs directly attributable to the construction of roads / infrastructure are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset/ facility as specified in Concession Agreement are charged to the Consolidated Statement of Profit and Loss in the period in which such costs are incurred.

(vi) Amortisation of Intangible Asset

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue reviewed by the management at the end of the each financial year and accordingly, the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of

Notes on Accounts forming part of Consolidated Financial Statements

the concession period. In case of NSEL, Intangible asset is amortised using straight line method as prescribed under Accounting Standard (AS) 26 of the Companies (Accounting Standard) Rule, 2014.

(c) Fixed Assets:

(i) Tangible Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(d) Depreciation and Amortisation:

- (i) Depreciation on tangible assets is calculated on written down value method basis using the ratio arrived as per the useful life prescribed under Schedule II to the Companies Act, 2013. The residual value, useful life and method of depreciation of tangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. In respect of tangible assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to use. Assets costing less than rupees five thousand each is fully depreciated in the year of purchase.

In case of AJTTL, ARRIL, RPTPL, DPTL depreciation on tangible fixed assets, are amortized on straight line basis, from the date on which such asset is ready for use, till the end of concession period.

- (ii) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. The Company has made acquisition in shares of SPV's which operate projects that have finite project life as per Concession Agreements. Thus, goodwill arising on consolidation is amortized on straight line basis, beginning from the date of acquisition of subsidiaries or commencement of commercial operations by subsidiaries, whichever is later, till the end of concession period.

(e) Expenditure during construction period, pending allocation:

Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include expenditure directly relating to construction / developments (net of income, if any), is capitalized. Indirect expenditure incurred during construction period which are specifically attributable to construction of a Project (including borrowing cost), is capitalized as part of Project cost. Other indirect expenditures incurred during the construction period which are not specifically attributable to construction of a project, is charged to the statement of profit and loss.

(f) Impairment of Assets:

- (i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, relevant market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company's impairment tests of investments in SPV entities are based on value in use. The Company has used expected future cash flow of projects in respect of SPV entities which generally covers period of the concession agreement using long term growth rate applied to future cash flows.

- (ii) After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Revenue Recognition other than Concessional Arrangement:

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognized;

Notes on Accounts forming part of Consolidated Financial Statements

(i) Income from sale of services:

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognized is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the factors on which the fee is based, actually occurs. Service tax collected on behalf of the government is not an economic benefit is flowing to the company, hence it is excluded from revenue.

(ii) Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

(iii) Dividend:

Income is recognized when the company's right to receive payment is established by the reporting date.

(h) Foreign Currency Transactions:

(i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange Difference:

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability:

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the consolidated statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

(v) Derivative Contracts:

The Company uses derivative contracts, such as derivative option contract, interest rate swap contracts to take advantage of lower interest rate of foreign currency loan and hedge the foreign exchange fluctuation. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the consolidated statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. In respect of derivative contracts, premiums paid, gains/ losses on settlement and provision for losses for cash flow hedges are recognised in the consolidated statement of profit and loss.

(i) Government Grant:

(i) Grant from the government are recognised when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant will be received.

(ii) Grant received from Government, in the nature of promoters' contribution are credited to Capital Reserve. Grant received as compensation for expenses or losses are taken to the Consolidated Statement of Profit and Loss and is accounted in the period to which it relates.

Notes on Accounts forming part of Consolidated Financial Statements

(j) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Investment property

An investment in land which is not intended to be occupied substantially for use by or in the operations of, the company, is classified an investment property. Investment properties are stated at cost, net of accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working for intend use. Any trade discounts and rebates are deducted in arriving at the purchase price.

(k) Employee Benefits:

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the consolidated statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.
- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the consolidated statement of profit and loss. In case of ARRIL, an insurance policy under the group gratuity scheme with the Life Insurance Corporation of India is taken to cover its gratuity liability.
- (iii) Compensated absences which accrue to employees and which is expected to be utilized or encased within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

(l) Leases :

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated statement of profit and loss on a straight-line basis over the lease term.

(m) Inventories:

Project Inventory are valued at lower of cost and net realizable value. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

(n) Taxes on Income:

- (i) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- (ii) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating for the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group's entities has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Notes on Accounts forming part of Consolidated Financial Statements

As per the provisions of the Income Tax Act, 1961, some of the Company's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive years out of 20 years beginning of toll operations. Accordingly, no deferred tax (asset or liability) is recognised in respect of timing difference which gets reversed during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which reverse after the tax holiday period is recognised in the year in which the timing difference originate. However the Group, restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtual certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

- (iii) Minimum alternate tax (MAT) paid in a year is charged to the entity's statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company will review the "MAT credit entitlement" asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(o) Borrowing Cost:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings, premium payable on redemption and discount on issue of debentures.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(p) Segment Reporting:

Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk return profile of individual business unit and serve different market. The analysis of geographical segments is not required as the company's operations are within single geographical segment i.e. India.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the company as a whole.

(q) Provisions and Contingent Liabilities:

- (i) A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) Contractual Obligations to periodically maintain Project asset as per the terms of the concession agreement are provided for in accordance with Accounting Standard (AS)-29 "Provisions, Contingent Liabilities and Contingent Assets" i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Notes on Accounts forming part of Consolidated Financial Statements

(iii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Cash and Cash Equivalent:

Cash and cash equivalents for the purpose of Consolidated cash flow statement comprise cash at bank (including demand deposits) and in hand and short term investments with an original maturity of three months or less.

(s) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(t) Measurement of EBITDA:

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present Earnings before Finance costs, depreciation and amortisation, exceptional items and tax expense (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

Notes on Accounts forming part of Consolidated Financial Statements

2 Share Capital

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Authorised shares (No. of Shares in actual)		
403,000,000 (31 March 2015: 403,000,000) Equity Shares of ₹ 10/- each	4,030.00	4,030.00
	4,030.00	4,030.00
Issued, Subscribed and Fully Paid Up (No. of Shares in actual)		
352,225,216 (31 March 2015: 310,963,081) Equity Shares of ₹ 10/- each	3,522.25	3,109.63
Total Issued, Subscribed and Paid Up	3,522.25	3,109.63

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
At the beginning of the year	31,09,63,081	3,109.63	2,60,07,170	260.07
Issued during the year				
- Initial Public Issue (refer note 33)	4,12,62,135	412.62	-	-
- Bonus Shares	-	-	28,26,93,710	2,826.94
- Conversion of Compulsory Cumulative Convertible Preference Share (CCCPS)	-	-	22,62,200	22.62
- Conversion of Compulsory convertible debentures (CCD)	-	-	1	-
Outstanding at the of the year	35,22,25,216	3,522.25	31,09,63,081	3,109.63
Preference Shares- CCCPS				
At the beginning of the year	-	-	22,50,774	22.51
Conversion during the year	-	-	(22,50,774)	(22.51)
Outstanding at the end of the year	-	-	-	-

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(c) Aggregate number of Equity Shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of Balance Sheet:

The Company had issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10:1 by capitalisation ₹ 2,826.94 Million from Securities Premium Account in the financial year 2014-15.

(d) Shares held by holding company:

Out of issued, subscribed and paid up equity capital 240,733,427 shares (Previous Year 240,733,427 shares) are held by Sadbhav Engineering Limited - holding company.

(e) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in class	No. of Shares	% holding in class
Equity shares of ₹ 10/- each fully paid				
Sadbhav Engineering Limited	24,07,33,427	68.35%	24,07,33,427	77.42%
Xander Investment Holding XVII Ltd.	2,91,21,860	8.27%	3,23,57,622	10.41%
Norwest Venture Partners VII-A Mauritius	2,91,21,860	8.27%	3,23,57,622	10.41%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Notes on Accounts forming part of Consolidated Financial Statements

3 Reserves and Surplus

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Capital Reserve- Grant Received from Authority (in the Nature of Promoters' Contribution)		
Balance as per the last year financial statements	3,974.56	2,106.71
Add: Additions during the Year	2,299.73	1,867.85
Closing Balance	6,274.29	3,974.56
Capital Reserve- Acquisition of Subsidiaries		
Balance as per the last year financial statements	75.80	-
Add: Additions during the Year	-	75.80
Closing Balance	75.80	75.80
Securities Premium Account		
Balance as per last year financial statements	5,387.44	7,464.49
Add: Premium on Conversion of CCDs	-	750.00
Add: Premium received for issue of equity shares	3,837.38	-
Less: Initial public offer expenses (refer note 33)	(238.07)	-
Less: Conversion of CCCPS into equity Shares	-	(0.11)
Less: Issue of bonus shares (Refer note 2(c))	-	(2,826.94)
Closing Balance	8,986.75	5,387.44
Debenture Redemption Reserve		
Balance as per last year financial statements	109.21	-
Add: Transfer from surplus in statement of profit and loss	-	109.21
Closing Balance	109.21	109.21
(Deficit) in Consolidated Statement of Profit and Loss		
Balance as per the last year financial statements	(4,847.54)	(1,305.31)
Add: (Loss) for the year	(2,605.90)	(3,433.02)
Less: Transfer to debenture redemption reserve during the year	-	(109.21)
Closing Balance	(7,453.44)	(4,847.54)
Total Reserves and Surplus	7,992.61	4,699.47

4 Long Term Borrowings

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
(a) Debentures (Secured)		
2,000 (31 March 2015: 2,000) Redeemable, Non Convertible Debentures of ₹ 1,000,000/- each	2,000.00	2,000.00
Add: Accrued amount of Premium on Redemption	170.23	25.38
	2,170.23	2,025.38
1,600 (31 March 2015: 1,600) Redeemable, Non Convertible Debentures of ₹ 1,000,000/- each	1,600.00	1,600.00
Add: Accrued amount of Premium on Redemption	74.92	16.69
	1,674.92	1,616.69
1,405,405 (31 March 2015: 1,405,405) Non Convertible Debentures of ₹ 1,000/- each	1,405.41	1,405.41
Add: Accrued amount of Premium on Redemption	154.72	64.52
	1,560.13	1,469.93
19,500 (31 March 2015: Nil) Non Convertible Debentures of ₹ 100,000/- each	1,950.00	-
Less: Current Maturities disclosed under the head other current liabilities (refer note 9)	(80.00)	-
	1,870.00	-

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
5,00,000 (31 March 2015: Nil) Non Convertible Debentures of ₹ 10,000/- each	5,000.00	-
Less: Current Maturities disclosed under the head other current liabilities (refer note 9)	(125.00)	-
	4,875.00	-
Total (a)	12,150.28	5,112.00
(b) Term Loans (Secured)		
(i) Rupee Loans From Banks		
Non-Current Portion	52,748.43	41,620.59
Current Maturities	1,162.85	972.78
Total (i)	53,911.28	42,593.37
(ii) Foreign Currency Loans From Banks		
Non-Current Portion	6,751.08	8,192.50
Current Maturities	162.69	367.69
	6,913.77	8,560.19
Less: Amount Receivable from Derivative Settlement of Foreign Currency Loans		
Non-Current Portion (Refer note 14)	(814.18)	(833.80)
Current Maturities (Refer note 14)	(19.62)	(17.78)
Total (ii)	6,079.97	7,708.61
(iii) From Finance Companies and Institutions		
Non-Current Portion	2,087.92	2,190.97
Current Maturities	102.25	56.78
Total (iii)	2,190.17	2,247.75
Total (i)+(ii)+(iii)	62,181.42	52,549.73
Less: Current maturities disclosed under the head - Other current liabilities (Refer note 9)	(1,408.17)	(1,379.47)
Total (b)	60,773.25	51,170.26
(c) Interest Free Loan from Holding Company (Unsecured) (refer note 29)	779.56	779.56
Total (c)	779.56	779.56
(d) Subordinate Debts (Sponsors' Contribution) (Unsecured) (refer footnote (h) below)	179.28	-
Total (d)	179.28	-
Total (a)+ (b) + (c) + (d)	73,882.37	57,061.82

4.1 The details in respect of long term borrowings are as under:

(a) 2,000 Redeemable, Non Convertible Debentures (NCD):

- (i) NCDs are secured by (i) first ranking charge created on 10,71,198 equity shares of the Company in the Rohtak Panipat Tollway Private Limited; (ii) the Corporate Guarantee by Sadbhav Engineering Limited (Holding Company); (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

- (ii) Terms of repayment are as under:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest Date of Redemption
Series A	800	0%	Bullet Repayment	26-Apr-18
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders of Series B and Series C shall have the right to seek prepayment / early redemption at the end of Year 3, i.e. January 15, 2018 and February 27, 2018 respectively, in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

Notes on Accounts forming part of Consolidated Financial Statements

(b) 1,600 Redeemable, Non Convertible debentures (NCD):

- (i) NCDs are secured by (i) an unconditional, irrevocable and continuing corporate guarantee from Sadbhav Engineering Limited-holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of Sadbhav Engineering Limited (SEL) by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% shareholding of Dhule Palsner Tollway Limited (DPTL) representing 46,082,466 equity shares. However, pending transfer of the shares of DPTL in the name of the Company, 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,600 equity shares have been pledged. (iv) Working Capital Demand Loan (WCDL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

- (ii) Terms of repayment are as under:

Series of NCDs	No. of NCDs	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	480	9%	Bullet Repayment	April 18, 2018
Series II	480	9%	Bullet Repayment	April 18, 2019
Series III	640	9%	Bullet Repayment	November 18, 2019

The debenture holders shall, at the end of Year 3 and Year 4, i.e. December 16, 2017 and December 16, 2018 respectively, have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

(c) 1,405,405 Redeemable, Non Convertible debentures (NCD):

- (i) NCDs are secured by (i) Pledge of 19.46% shareholding of the company representing 46,846,725 equity share held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited (MBCPNL) representing 11,673 equity shares held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee of the Promoters i.e. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company.
- (ii) NCD are having a floating interest rate of 4.94% to 5.62% which is linked to benchmark rate to be reset on a quarterly basis and are repayable in 6 structured instalments starting from July 1, 2017 and ending on April 5, 2020.
- (iii) The Company shall have an option to repay the Debentures at End of 4th year and 5th year, i.e. May 30, 2018 and May 30, 2019 respectively, with the condition that the Minimum Yield on the entire Debenture amount will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

(d) Rupee loan from Bank:

During the year, the Company has pre-paid entire loan of ₹ 1800 Million on September 16, 2015 in accordance with mandatory prepay clause of the loan agreement. The loan was carrying a floating interest rate based on bank base rate + spread i.e. 13.50%.

(e) Non convertible debentures issued by Subsidiaries:

(i) NSEL

19,500 Redeemable, Non Convertible Debentures (NCD):

The Facility, and the payment and other obligations of the Borrower under the finance documents shall be secured by a first ranking:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets;
- An assignment by way of security over all the borrower's right, title and interest in and to each transaction document;
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower i.e. equivalent to 47,520,000 equity shares held by the Company in NSEL.

The Security created under the Debenture Trust Deed shall rank pari passu inter se, amongst the trustees.

Terms of repayment are as under:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Coupon Rate p.a. %	Terms of Repayment	Earliest Date of Redemption
Series A	10,000	8.72%	8.72%	Partial	01-Aug-16
Series B	9,500	8.91%	8.91%	Partial	01-Aug-16

NCDs have been issued to refinancing existing foreign currency loans. At the time of redemption of any Debentures on any Redemption Date, the company shall pay the relevant Debenture Holders the unpaid Interest on such Debentures, accrued upto such Redemption Date.

Notes on Accounts forming part of Consolidated Financial Statements

(ii) **DPTL**

5,00,000 Redeemable, Non Convertible Debentures (NCD):

The Facility, and the payment and other obligations of the Borrower under the finance documents shall be secured by a first ranking:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets
- An assignment by way of security over all the borrower's right, title and interest in and to each transaction document.
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower i.e. equivalent to 68,092,002 equity shares held by the Company in DPTL

The Security created under the Debenture Trust Deed shall rank pari passu inter se, amongst the trustees.

Terms of Repayment

Non convertible debentures are repayable in 40 consecutive quarterly instalment commencing from 5th April, 2016 to 5th December, 2025 on the repayment dates and in percentage as mentioned in Schedule VI of Debenture Trust Deed executed on 10th March, 2016. the NCDs carries coupon rate of 9.40 per cent per annum.

(f) **Rupee Term Loans and Foreign Currency Loans from banks and other parties availed by the Subsidiaries:**

I Rupee Term Loans and Foreign Currency Loans from banks availed by Subsidiaries are secured by:

- (i) a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- (ii) a first charge on all the respective subsidiary's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (iii) a first charge over all accounts of the respective subsidiary's including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project documents and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- (iv) a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- (v) a first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;
 - charge/ assignment on all the intangible assets of the respective subsidiary (Other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- (vi) pledge of equity shares held by the Company and other promoters of the respective Subsidiary as stipulated in the Loan Agreements.

Notes

- (a) the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated above shall in all respects rank pari-passu inter-se amongst the lenders and the working capital lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- (b) the Security Interest shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement), unless such security is consented to by the authority pursuant to the Concession Agreement.

II Terms of Repayment of borrowings availed by Subsidiaries :

(i) ARRIL

Term loans include loan amounting to ₹ 3,396.13 Million as on March 31, 2016 taken from a consortium consisting of a bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly instalments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

As at March 31, 2016, the loans carries average interest rate of 10.40 per cent to 11.05 per cent per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly instalments commencing from

Notes on Accounts forming part of Consolidated Financial Statements

August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

As at March 31, 2016, the loan carries average interest rate of 12.10 per cent per annum.

(ii) **AJTL**

Term loans include loan amounting to ₹ 1,546.04 Million as on March 31, 2016 taken from a consortium consisting of a bank and finance institutions.

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders are repayable in 48 equal quarterly instalments commencing from October 1, 2011. As per the repayment schedule of the loan agreement, all principal amount outstanding under the said agreement shall be repaid by July 1, 2023. Further, the lenders have an option to call upon AJTL to repay the entire outstanding loan along with interest, additional interest, further interest and liquidated damages thereon at the end of ten (10) years from the date of Commercial Operation (COD), i.e. July 28, 2019, by giving thirty days notice. Similarly, AJTL also has the option to prepay the loans.

As at March 31, 2016, the term loans carries average interest rate of 10.55 per cent to 11.50 per cent p.a.

(iii) **BHTPL**

Term loans include loan amounting to ₹ 8,196.92 Million as on March 31, 2016 taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 37 equal quarterly instalments on the last day of each quarter, commencing from the expiry of Moratorium Period (14 quarters from initial drawdown date i.e. May 31, 2014) such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 12 years and 6 months.

The Loans carries interest of 11.45% to 12% percent as on March 31, 2016.

BHTPL has been sanctioned amount of ₹ 5,960.00 million by lender for refinancing of existing rupee loans. The documents in respect thereof are under finalisation stage as at March 31, 2016. Consequent upon refinancing, the existing rupee loans will be replaced by fresh rupee loans as sanctioned by lender. Since the existing rupee loans shown above will be replaced by long term loan, the same are continued to be classified as Non Current liabilities.

Foreign Currency loan from Bank:

Foreign currency loan shall be repayable in unequal semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan.

The BHTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

(iv) **HYTPL**

Term loans include loan amounting to ₹ 3,737.57 Million as on March 31, 2016 taken from a consortium consisting of a bank and financial institutions.

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 47 equal quarterly instalments on the last day of each quarter, commencing from the expiry of Moratorium Period (33 months from initial drawdown date i.e. September 29, 2010), such that the loan tenor (from initial drawdown to the date i.e. September 29, 2010 of repayment of the last repayment instalment) does not exceed 14 years and 6 months.

Term loans carries interest of 10.95 to 11.50 per cent per annum.

Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual instalments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29, 2013). At the end of payment of unequal 10 semi-annual instalments, the Company propose to convert balance loan amounting to USD 21.74 Million into a new Rupee Term Loan. The Company pays interest at LIBOR plus 470 basis points per annum on the foreign currency loan.

(v) **MBCPNL**

Term loans include loan amounting to ₹ 10,545.68 Million as on March 31, 2016 taken from a consortium consisting of banks.

Notes on Accounts forming part of Consolidated Financial Statements

Indian Rupee Term Loans from Banks:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 50 quarterly instalment on the last day of each quarter, commencing from expiry of Moratorium Period i.e. 15th quarter from the first disbursement i.e. 20th March 2010.

As at March 31, 2016 the long term loans from the banks carries interest rate from 11.35 to 13.25%.

(vi) RPTPL

Term loans include loan amounting to ₹ 9,888.75 Million as on March 31, 2016 taken from a consortium consisting of a bank and finance companies.

Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly instalment on the last day of each quarter, commencing from the expiry of moratorium period (22 quarters from initial drawdown date i.e. March 30th, 2011), such that the loan tenor (from initial drawdown to the date of repayment of the last repayment instalment) does not exceed 16 years.

As at March 31, 2016, the term loans carries interest rate of 11.60 to 12.10 per cent per annum.

Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in 6 unequal semi-annual instalment. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 28, 2016). At the end of payment of 5 unequal semi-annual instalment, the Company propose to convert balance loan amounting to USD 37.83 Million into a new Rupee Term Loan.

As at March 31, 2016, RPTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

(vii) SUTPL

Term loans include loan amounting to ₹ 8,203.85 Million as on March 31, 2016 taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:

Tranche I

The Principal amounts of the Loan under Tranche I is repayable to the Lenders in 138 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Schedule Commercial Operations Date (SCOD) occurs i.e. November 30, 2016.

As at March 31, 2016, term loans carries interest of 11.60 to 12.25 per cent per annum.

Tranche II

The Principal amounts of the Loan under Tranche II is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs i.e. November 30, 2016.

As at March 31, 2016, term loans carries interest of 11.60 to 12.25 per cent per annum.

(viii) BRTPL

Term loans include loan amounting to ₹ 2,600.10 Million as on March 31, 2016 taken from a consortium consisting of banks.

Indian Rupee Term Loans from Banks:

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs, i.e. April 30, 2017.

As at March 31, 2016, term loans carries average interest rate of 11.60 per cent per annum.

(ix) RHTPL

Term loans include loan amounting to ₹ 8,649.70 Million as on March 31, 2016 taken from a consortium consisting of a banks.

Term Loans from Banks:

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly instalments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs i.e. July 31, 2017.

As at March 31, 2016 term loans carries interest of 11.70 per cent per annum.

Notes on Accounts forming part of Consolidated Financial Statements

(x) DPTL

Term loans include loan amounting to ₹ 5,416.68 Million as on March 31, 2016 taken from a consortium consisting of banks.

The Principal amounts of the Loan is repayable to the Lenders in 43 consecutive quarterly instalment commencing from 5th Jan 2016 to 5th July 2026 on the repayment dates and in percentage as mentioned in amortization schedule as set forth in schedule XIII of the Common Loan Agreement executed on 28th September, 2015.

As at March 31, 2016, the loan facility carries interest of 10.05% per annum.

(g) Interest Free Loan from Holding Company (Unsecured)

Pursuant to the conversion of Compulsory Cumulative Convertible Preference Share into equity shares, the Company has entered into a Memorandum of Understanding with SEL, whereby SEL has given a commitment to keep the loan balance of ₹ 779.56 Million in SIPL for a period of 11 years from the date of conversion of CCCPS.

(h) Sub ordinate debts (Sponsors' Contribution) (Unsecured)

Sub ordinate debts received by MBCPNL in terms of share purchase cum sub debts agreements dated September 18, 2013 with the prospective investor. Currently, the investor has not acquired share holding in MBCPNL.

5 Other Long term Liabilities

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Retention Money	1.19	0.85
Interest accrued on premium obligation**	109.16	23.83
Premium Obligation under Concession Agreement	32,213.92	22,305.24
Total	32,324.27	22,329.92

** In case of subsidiaries, HYTPL and RPTPL the premium obligation under the Concession Agreement of ₹ 6,907.30 million as at March 31, 2016 has been deferred by NHAI vide its sanction letter dated June 20, 2014. As per the Ministry of Road Transport & Highways policy of NHAI, where the premium obligation under the concession agreement is deferred, the Company is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to Statement of Profit & Loss account for the year and obligation on the same has been recognised as liabilities. Such deferred premium obligation along with interest thereon is payable no later than one year prior to the expiry of the concession period.

(₹ in Million)

6 Provisions

	Long - term		Short - term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for:				
Income tax	14.52	-	-	93.55
Employee benefit				
Gratuity (refer note 27)	5.40	3.60	0.92	0.76
Leave encashment	-	-	1.19	-
Periodic major maintenance (refer note 34)	2,020.94	992.92	286.38	-
Total	2,040.86	996.52	288.49	94.31

7 Short Term Borrowings

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Working Capital Demand Loan from Bank (Unsecured)	100.00	100.00
Loan from Holding Company (Unsecured) (Refer Note No. 29)	5,326.39	4,664.11
Interest free Loan - Others (unsecured)	213.00	213.00
Total	5,639.39	4,977.11

Notes:

- Working Capital Demand Loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited (SEL) i.e. the holding company. The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest of 11.10% to 12% p.a.
- Unsecured loan from holding company carries interest of 11% p.a. and is repayable on demand / call notice.
- Interest free loan from others is repayable on demand.

Notes on Accounts forming part of Consolidated Financial Statements

8 Trade Payables

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Micro enterprises and small enterprises	-	-
Others	550.95	400.29
Total	550.95	400.29

Dues to Micro, Small and Medium Enterprises:

As per intimation available with the group, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Group owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made.

9 Other current liabilities

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Current Maturities of Long-term debt (Net of Derivative Settlement Receivable) (refer note 4)	1,613.17	1,379.47
Capital creditors including retention money (refer note 29)	1,604.27	2,250.41
Current maturities of premium obligation to NHAI	290.80	-
Interest accrued but not due on borrowings	206.01	189.13
Interest accrued and due on borrowings (refer note 29)	157.68	212.65
Unearned Revenue (Refer Note No. 28)	64.34	129.94
Due to bank in current account (Cheques Overdrawn)	0.03	-
Statutory dues payable	147.47	146.31
Employee Emoluments	24.73	20.38
Payable towards equity share capital (refer note 1(B)(v) and 29)	163.71	220.00
Share application money refundable	0.12	-
Initial public offer expenses	0.97	-
Payable to Authorities (AUDA, NHAI)	36.78	53.70
Payable towards option premium	5.65	-
Rent Deposit	3.81	4.21
Other Payable	74.31	35.41
Total	4,393.85	4,641.61

Notes on Accounts forming part of Consolidated Financial Statements

10 Fixed Assets

(i) Tangible Assets

(₹ in Million)

Particulars	Freehold-Land	Building	Building-Residential Flat	Plant and Equipment	Furniture Fixtures	Vehicles	Computer	Office Equipment	Adv. Hoarding under disposal	Total
Gross Block:										
As at April 1, 2014	29.98	82.48	13.48	131.80	18.87	36.03	10.94	2.44	9.60	335.62
Additions	-	-	-	1.74	1.36	3.09	1.38	8.36	-	15.93
Disposals/ Adjustments	(1.73)	-	-	-	-	(1.25)	-	-	(4.55)	(7.53)
As at March 31, 2015	28.25	82.48	13.48	133.54	20.23	37.87	12.32	10.80	5.05	344.02
Addition on acquisition of subsidiary	9.72	-	-	-	-	22.89	2.03	1.30	-	35.94
Additions	14.24	-	-	5.35	0.01	7.06	1.36	2.83	-	30.85
Disposals / Adjustments	-	(4.90)	(13.48)	(0.91)	(3.95)	-	(0.39)	(0.22)	(2.92)	(26.77)
As at March 31, 2016	52.21	77.58	-	137.98	16.29	67.82	15.32	14.71	2.13	384.04
Accumulated Depreciation :										
As at April 1, 2014	-	16.09	1.76	34.31	8.97	17.50	7.95	0.78	-	87.36
Charge for the year	-	3.36	0.59	19.42	3.04	6.51	2.41	2.76	-	38.09
Disposals/ Adjustments	-	-	-	-	-	(1.11)	-	-	-	(1.11)
As at March 31, 2015	-	19.45	2.35	53.73	12.01	22.90	10.36	3.54	-	124.34
Addition on acquisition of subsidiary	-	-	-	-	-	10.66	2.01	0.96	-	13.63
Charge for the year	-	3.06	0.14	19.09	2.07	6.99	1.32	3.78	-	36.45
Disposals / Adjustments	-	(1.73)	(2.49)	(0.13)	(2.26)	-	(0.38)	(0.05)	-	(7.04)
As at March 31, 2016	-	20.78	-	72.69	11.82	40.55	13.31	8.23	-	167.38
Net Block :										
As at March 31, 2015	28.25	63.03	11.13	79.81	8.22	14.97	1.96	7.26	5.05	219.68
As at March 31, 2016	52.21	56.80	-	65.29	4.47	27.27	2.01	6.48	2.13	216.66

Note: (i) Advertisement hoarding under disposal are stated at the lower of their net book value or net realisable value.

(ii) Intangible Assets

(₹ in Million)

Particulars	Toll Collection Rights	Use Fee Rights	Softwares	Total	Goodwill on Consolidation	Total
Gross Block:						
As at April 1, 2014	40,272.81	9,068.54	-	49,341.35	720.40	50,061.75
Additions	22,629.71	1,985.04	-	24,614.75	764.53	25,379.28
Exchange Differences	221.04	-	-	221.04	-	221.04
Disposals/ Adjustments	-	(169.15)	-	(169.15)	-	(169.15)
As at March 31, 2015	63,123.56	10,884.43	-	74,007.99	1,484.93	75,492.92
Addition on acquisition of Subsidiary (refer note 1(B)(v))	13,438.64	-	-	13,438.64	-	13,438.64
Additions (refer note (ii) below)	21,904.13	1,454.03	2.04	23,360.20	2,112.14	25,472.34
Exchange Differences (refer note (iii) below)	524.18	-	-	524.18	-	524.18
Disposals/ Adjustments (refer note (iv) below)	-	(38.52)	-	(38.52)	-	(38.52)
As at March 31, 2016	98,990.51	12,299.94	2.04	1,11,292.49	3,597.07	1,14,889.56
Accumulated Amortisation:						
As at April 1, 2014	2,235.96	22.93	-	2,258.89	110.06	2,368.95
Charge for the year	1,235.59	101.98	-	1,337.57	42.12	1,379.69
Disposals / Adjustments	110.38	-	-	110.38	-	110.38
As at March 31, 2015	3,581.93	124.91	-	3,706.84	152.18	3,859.02
Addition on acquisition of Subsidiary (refer note 1(B)(v))	1,040.29	-	-	1,040.29	-	1,040.29
Charge for the year	1,649.49	165.88	0.35	1,815.72	172.72	1,988.44
Disposals/ Adjustments	(0.09)	-	-	(0.09)	-	(0.09)
As at March 31, 2016	6,271.62	290.79	0.35	6,562.76	324.90	6,887.66
Net Block :						
As at March 31, 2015	59,541.63	10,759.52	-	70,301.15	1,332.75	71,633.90
As at March 31, 2016	92,718.89	12,009.15	1.69	1,04,729.73	3,272.17	1,08,001.90

Notes on Accounts forming part of Consolidated Financial Statements

Note:

- (i) Toll collection rights also include premium paid / payable under the concession agreement over the concession period.
- (ii) The addition in Toll collection rights includes ₹ 10,226.01 Million (previous year: ₹ Nil) Premium obligation under concession agreement which is capitalized as part of project cost.
- (iii) The Company has adopted an option under Para 46A of AS 11, accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year, the Company has added ₹ 524.18 Million (Previous year ₹ 221.04 Million) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 1,401.20 Million (Previous year ₹ 945.27 Million).
- (iv) Adjustment in the gross block of Intangible assets ₹ 38.52 million is on account of revision in the price escalation formula as per recommendation made by Technical Expert Committee appointed by steering committee of project. Also refer note 37.

(iii) Capital Work-in- Progress

(₹ in Million)

Particulars	Advertisement Hoardings	Building under construction	Total
Opening Balance as at April 1, 2014	0.35	6.83	7.18
Additions	-	-	-
Transfer to Tangible Assets	(0.35)	(0.15)	(0.50)
Closing Balance as at March 31, 2015	-	6.68	6.68
Additions	-	-	-
Adjustment during the year	-	(6.68)	(6.68)
As at March 31, 2016	-	-	-

(iv) Intangible Assets Under Development

(₹ in Million)

Particulars	Road Development Expenditure	Expenditure during construction period (refer note 10.1)	Road and Check Post Development Work	Building Development Work	Computerisation & Check Post Integration Work	Other Direct Capital Expenses	Project Upfront Fees	Total
Opening Balance as at April 1, 2014	3,900.01	1,306.30	1,257.04	313.63	640.34	15.06	313.95	7,746.33
Additions	11,358.89	1,523.10	427.68	100.22	201.79	41.05	-	13,652.73
Transfer to Intangible Assets	-	(532.43)	(745.90)	(275.44)	(358.70)	(31.55)	(67.29)	(2,011.31)
Adjustments/ Deduction	-	(9.91)	-	-	-	-	-	(9.91)
Closing Balance as at March 31, 2015	15,258.90	2,287.06	938.82	138.41	483.43	24.56	246.66	19,377.84
Addition on acquisition of Subsidiary (refer note 1(B)(v))	271.50	-	-	-	-	-	-	271.50
Additions	11,086.72	1,868.92	307.13	133.35	121.27	47.07	-	13,564.46
Transfer to Intangible Assets	(10,161.41)	(1,930.39)	(539.94)	(109.87)	(274.60)	(43.51)	(72.45)	(13,132.17)
As at March 31, 2016	16,455.71	2,225.59	706.01	161.89	330.10	28.12	174.21	20,081.63

Note:

- (i) Project upfront fees represent amount paid to Maharashtra State Road Development Corporation Limited (MSRDC) as per Project Tender Terms.
- (ii) In term of the Concession agreement, deposits for electricity supply is considered as a part of the project cost.
- (iii) Adjustment in the Gross Block of Intangible assets of ₹ Nil (previous year - ₹ 169.15 million) and Intangible assets under development of ₹ Nil million (previous year - ₹ 36.22 million) is on account of CENVAT credit availed as per provision of Cenvat Credit Rules, 2004.

10.1 Expenditure during construction period (Pending Allocation):

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
(a) Opening Balance	2,287.07	1,306.29
(b) Additions during the year		
(i) Finance Costs		
Interest on:		
Long-term Borrowings	1,800.94	1,246.08
Short-term Borrowings	0.49	1.18
Other borrowing cost:		
Bank Charges	4.26	10.77
Ancillary Borrowing Cost	0.19	201.35
	1,805.88	1,459.38
Less: Other Income		
Gain on sale of units of mutual fund and dividend income	8.20	2.81
Interest on fixed deposits with banks	1.12	0.65
	9.32	3.46
Total (i)	1,796.56	1,455.92

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
(ii) Other Expenses		
Rent	2.89	3.15
Insurance	0.81	3.48
Rates and Taxes	-	0.08
Employee Benefits	5.79	3.15
Legal & Professional Fees	43.00	51.43
Travelling & Conveyance	0.99	1.84
Auditors Remuneration	0.95	0.60
Other Miscellaneous Expenses	17.93	3.45
	72.36	67.18
Total (i) + (ii)	1,868.92	1,523.10
(c) Add / (Less): Adjustments/Deduction during the year		
CENVAT Credit availed	-	(9.91)
Capitalised in Intangible asset	(1,930.39)	(532.41)
Closing Balance (a)+(b)-(c)	2,225.60	2,287.07

11 Non-current Investments

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
I. Investments in Equity Shares- Unquoted, Fully paid up (At Cost)		
Nil (March 31, 2015: 1,439,000) Equity Shares of Dhule Palenser Tollway Limited of ₹ 10/- each (also refer note 1(B)(v))	-	14.39
Total I	-	14.39
II. Investment in Others (At Cost)		
(a) Investment Properties- Land	20.85	19.94
(b) Government Securities -National Saving Certificates	0.04	0.05
Total II	20.89	19.99
Total (I+II)	20.89	34.38
Aggregate amount of unquoted investments	0.04	14.44
Value of investment properties	20.85	19.94

12 Deferred Tax Asset (net)

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
(i) Deferred Tax Assets		
Carry forward of business losses and unabsorbed depreciation as per Income Tax Act, 1961	0.17	0.21
	0.17	0.21
(ii) Deferred Tax Liability		
Difference in Book and Tax Depreciation	0.17	0.21
	0.17	0.21
Deferred Tax Asset (net)	-	-

Deferred tax assets (Net) in case of Subsidiaries:

In accordance with Accounting Standard 22 "Accounting for taxes on income", the Company and subsidiary companies have net deferred tax assets. However, in view of losses incurred under Income Tax Act, 1961 by the subsidiaries during the current year, deferred tax assets on timing difference on unabsorbed depreciation and business losses have not been accounted for in the books since it is not virtually certain that they will be realised against future profits. Some of the subsidiaries are also entitled for deduction under section 80IA of the Income Tax Act, 1961, which they propose to claim in the subsequent years.

Notes on Accounts forming part of Consolidated Financial Statements

13 Loans and Advances (Unsecured, considered good unless stated otherwise)

(₹ in Million)

	Long - term		Short - term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
a Capital Advances				
Secured, considered good (Refer Note No. 29)	-	1,934.55	-	-
Unsecured, considered good	0.14	0.46	-	-
b Deposits	5.02	6.02	24.83	0.04
c Loans and advances to related parties: (Refer Note No. 29)				
Loans and advances given	-	-	7.40	138.18
Advance against share purchases	-	267.81	-	-
Sub-ordinate debt (refer note 1(B)(v))	-	1,124.00	-	-
Others	-	-	-	8.13
	-	1,391.81	7.40	146.31
d Advances receivable in cash or kind	-	-	64.31	24.54
e Inter-Corporate Loans	-	-	170.37	418.80
f Others loan & advances				
Advance income tax (net of provision for tax)	246.57	216.10	59.70	-
Prepaid Expenses	-	-	22.51	13.77
Staff Advances	-	-	0.01	0.41
Deferred Cenvat Credit (refer note below)	82.95	74.60	-	-
Others	-	-	6.55	-
Tax Credits Receivables	21.65	8.24	78.71	30.20
Total	356.33	3,631.78	434.39	634.07

Note: The CENVAT credit of ₹ 82.95 million (Previous year: ₹ 74.60 million) on works contract for construction of building and civil infrastructure have been accounted as Deferred CENVAT credit account. The utilization of deferred CENVAT credit is subject to assessment made by the statutory authority.

14 Other Assets

(₹ in Million)

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Grant Receivable (refer note (I) below)	-	-	299.37	629.06
Receivable from Authority towards change of Scope/ Utility Shifting	-	-	110.44	90.15
Receivable from EPC Contractor towards change of Scope (refer note 29)	-	-	-	17.27
Unamortised Option Premium/Discount on debentures	159.83	120.44	48.54	39.93
Interest Receivable on:				
- Non-current investments	-	0.01	-	-
- Sub-ordinate debt /Unsecured Loan given to related parties (refer note 29 and 1(B)(v))	-	414.89	-	38.14
- Inter Corporate Loans	-	-	1.16	40.20
- Fixed Deposits with Banks	-	-	1.76	2.47
Stamp duty refund receivable	-	-	0.72	-
Unbilled revenue (refer note 28)	-	-	15.09	-
Unamortised share issue expense	-	-	-	66.18
Derivative Settlement Receivable	814.18	833.80	19.62	17.78
(Less): Transferred to Long Term Borrowing (refer note 4)	(814.18)	(833.80)	(19.62)	(17.78)
Other receivable	-	-	0.47	0.38
	159.83	535.34	477.55	923.78

Notes:

- (I) As per the respective Concession Agreements between ARRIL and Ahmedabad Urban Development Authority (AUDA) and, between BRTPL & RHTPL and NHAI, ARRIL, BRTPL and RHTPL are entitled to receive grant of ₹ 360 Million, ₹ 2,664 Million and ₹ 2,115 Million, respectively for meeting the part project cost subject to the conditions laid down in the Concession Agreements.

Notes on Accounts forming part of Consolidated Financial Statements

Upto March 31, 2016 the said companies have received grant of ₹ 295.76 Million, ₹ 2,296.85 Million and ₹ 1635.63 Million in ARRIL, BRTPL and RHTPL, respectively. Also, ARRIL, BRTPL and RHTPL have grant of ₹ 64.24 Million, ₹ 130.14 Million and ₹ 104.99 Million, respectively as receivable since the conditions of the Concession Agreement related to grant have been met.

15 Current investments

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Unquoted (Valued at lower of cost and fair value, unless stated otherwise)		
Investment in units of Mutual Fund (refer note (I) below)	239.35	47.01
	239.35	47.01
Aggregate amount of unquoted investments	239.35	47.01

(i) Details of Investments in Unquoted Units of Mutual Funds:

(₹ in Million other than figures in bracket)

Particulars	As at March 31, 2016	As at March 31, 2015
ICICI Prudential Liquid - Money Market Fund- Regular Plan - Growth	- (-)	15.00 (77,671.99)
ICICI Prudential Liquid - Regular Plan - Growth	193.87 (50,53,850.33)	12.00 (59,241.33)
ICICI Prudential Ultra Short Term Plan - Growth	17.73 (16,96,897.61)	- (-)
IDBI Liquid Fund - Growth	11.17 (7,534.25)	10.01 (7,367.39)
Principal PNB Fixed Maturity - Regular Plan Growth	- (-)	10.00 (10,00,000.00)
SBI Savings Fund - Regular Plan - Growth	16.58 (7,08,767.63)	- (-)
Total	239.35	47.01

The figures mentioned in bracket represent absolute number of investment units.

16 Inventories

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Project Inventories (refer note 21)	4.26	-
	4.26	-
Details of inventories		
Bitumen	4.26	-

17 Trade Receivables (Unsecured, considered good)

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	3.47
Considered doubtful	0.44	0.70
Less: Provision for Doubtful debts	(0.44)	(0.70)
	-	3.47
Other receivables	187.87	136.71
	187.87	140.18
Trade Receivables include:		
Dues from Holding Company (refer note 29)	81.37	-

Notes on Accounts forming part of Consolidated Financial Statements

18 Cash and Bank Balances

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents		
Balance with Banks		
In Current accounts (refer note (I) below)	580.70	1,320.24
In current accounts earmarked for unpaid share application refund money	0.12	-
In Fixed Deposits with original maturity of less than 3 months (refer note (ii) below)	252.10	330.03
Cash on hand	38.72	24.28
	871.64	1,674.55
Other Balances with Banks		
In Fixed Deposits with original maturity for more than 3 months but less than 12 months (refer note (iv) below)	21.08	21.08
	892.72	1,695.63

Note:

- (i) Balances with Banks including balances lying in the Escrow Accounts are offered as a security against borrowings as per terms of borrowings with the lenders.
- (ii) Balance with Banks in fixed deposit include balance of ₹ 252.10 Million (P.Y. ₹ 330.03 Million) being the deposit earmarked for Debt Service Reserve (DSR) of term loan of BHTPL.
- (iii) Cash on hand include amount collected towards toll charges / user fee, pending deposit with the bank.
- (iv) Fixed deposit is lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of Redeemable Non Convertible debentures (NCD) of ₹ 1,405.41 Million.

Notes on Accounts forming part of Consolidated Financial Statements

19 Revenue from Operations

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue from Toll Collection and Annuity Income (refer note (a) below)	5,141.76	3,918.74
User Fees income (gross) (refer note 38)	1,542.20	916.99
Engineering, Procurement and Construction (EPC) and Other Contract Income (refer note 28 and (b) below)	688.68	229.27
Sale of Services - Advisory, Project and Toll Management Fees (Refer Note 29)	2.10	1.20
Other Operating Revenue - Advertisement and Rent Income	47.22	40.26
	7,421.96	5,106.46

Note:

- (a) In case of AJTL, a subsidiary of the company, Government of Maharashtra, vide Notification dated 26th May 2015 has exempted Light Motor Vehicles and Buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f. 01-06-2015. However the government has not prepared any policy or modalities by which the Concessionaire i.e. AJTL will be reimbursed for the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, AJTL has recognised revenue of toll collection of ₹ 90.45 Million for the period 01-06-2015 to 31-03-2016 in respect of exempted vehicles based on the projections submitted to Maharashtra government under the concession agreement. The Government of Maharashtra has paid amount of ₹ 52.95 Million upto 31st March, 2016 to AJTL in this respect.
- (b) During the year, the company has accounted Contract Income towards cost escalation claim, of ₹ 44.06 Million (31 March 2015: ₹ 72.87 Million) from Maharashtra Border Check Post Network Limited, a subsidiary entity, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.

20 Other income

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest income on:		
Sub-Ordinate loan	62.55	123.64
Corporate Loans	43.16	50.06
Deposits with Banks	31.87	16.70
Income tax refund and MVAT refund	2.99	3.01
	140.57	193.41
Profit on Sale of units of Mutual Funds (Net)	38.38	79.76
Dividend Income	-	0.62
Sundry balances written back	0.41	10.18
Profit on Sales of Assets	17.14	-
Insurance Claim Received	4.15	0.72
Others	1.23	1.19
	201.88	285.88

21 Cost of materials consumed

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Inventory at the beginning of the year	-	-
Add : Purchase during the year	6.89	-
	6.89	-
Less : Transfer to unbilled revenue (Refer note below)	2.63	-
	4.26	-
Less : Inventory at the end of the year (refer note 16)	4.26	-
Cost of material consumed	-	-

Note: The operation and maintenance contract on which material is consumed, is in progress as at year end and accordingly, the company has not recognised margin on the cost incurred till date and recorded the transaction as unbilled revenue.

Notes on Accounts forming part of Consolidated Financial Statements

22 Operating expenses

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Construction Contract charges to Sub Contractors	264.66	370.48
Operation and Maintenance charges to Sub Contractors	272.50	268.15
Periodic Major Maintenance (refer note 34)	1,065.52	768.07
Power and Fuel	119.87	82.24
Security Expense	109.25	69.29
Miscellaneous Expenses	70.71	77.24
	1,902.51	1,635.46

23 Employee benefit expenses

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Salaries, wages and bonus (including managerial remuneration) (refer note 29)	263.49	210.80
Contribution to Provident and Other funds	12.67	9.79
Gratuity expense (refer note 27)	2.65	3.35
Staff welfare expenses	25.35	19.06
	304.16	243.00

24 Finance Cost

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Interest on		
Long Term Loans from Banks and Others	5,108.93	4,418.92
Unsecured Loan from Holding Company (refer note 29)	652.26	491.12
Short Term Loans from Others	6.09	10.66
Deferred additional concession fees	85.36	23.84
Statutory dues and other interest	1.59	1.80
Other Borrowing Cost		
Premium on redemption of Non Convertible Debentures	293.28	106.60
Amortization of Option Premium, Discount on issue of debentures and other Ancillary Charges	135.95	154.42
Bank Charges, Upfront Fees and other finance costs	114.10	51.79
	6,397.56	5,259.15

One of the Subsidiaries, viz. MBCPNL capitalizes each check post from the date it receives provisional completion certificate from the engineer appointed by Maharashtra State Road Development Corporation (Project Implementation Agency). In respect of such check posts, pending receipt of notification from government authorities to start collecting user service fee, the cost incurred (including interest costs) from the date of capitalization of check post till the notification to collect user service fee is expensed to statement of profit and loss. The Company has expensed ₹ 133.36 Million (Previous year: ₹ 212.14 Million) relating to interest costs (with corresponding no user service fee income) in the Statement of profit and loss pertaining to such check posts.

25 Other Expenses

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
Rent	10.30	19.34
Insurance	23.25	16.33
Rates and Taxes (refer note 38)	197.65	166.36
Repairs and Maintenance	13.63	10.41
Legal and Professional Fees	114.01	117.57
Communication Expense	7.62	4.79
Travelling Expenses	6.49	11.09
Auditors' Remuneration	4.81	3.29
Directors' Sitting Fees	0.87	-
Listing Fees	14.86	-
Cash collection charges	15.44	-
Corporate Social Responsibility	-	5.99
Trade Receivables written off	0.49	0.40
Provision for doubtful debts	0.01	0.70
Loss due to agitation (refer note 42)	6.67	-
Donation	2.17	-
Miscellaneous Expenses	24.16	31.15
	442.43	387.41

Notes on Accounts forming part of Consolidated Financial Statements

26 Earnings Per Share (EPS)

(₹ in Million)

		Year Ended March 31, 2016	Year Ended March 31, 2015
I Basic Earning/(Loss) Per Share (EPS)			
Net (Loss) after tax for the year available for equity shareholders (₹ in Million)	(A)	(2,605.90)	(3,433.02)
Total Equity shares		35,22,25,216	31,09,63,081
Weighted average number of equity shares outstanding during the year	(B)	33,39,11,611	30,96,98,728
Basic (Loss) Per Share (in ₹)	(A/B)	(7.80)	(11.09)
II Diluted Earning/(Loss) Per Share (EPS)			
Net (Loss) after tax for the year available for equity shareholders (₹ in Million)		(2,605.90)	(3,433.02)
Add: Interest on Compulsory Convertible Debenture (Net of Tax) (₹ in Million)		-	0.02
Net (Loss) after tax for calculation of Diluted EPS (₹ in Million)	(C)	(2,605.90)	(3,433.00)
Weighted average number of equity shares outstanding during the year	(D)	33,39,11,611	30,96,98,728
Diluted (Loss) Per Share (in ₹)	(C/D)	(7.80)	(11.08)

27 Employee Benefits

The disclosures of employee benefits as defined in the Accounting Standard 15 are as under:

Defined Benefit Plan:

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last drawn salary) for each completed year of service. The schemes of all the Companies in the Group are un-funded, except for ARRIL where the scheme is funded with Life Insurance Corporation of India (LIC).

The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Projected Unit Credit Method as prescribed by the Accounting Standard (AS 15). Gratuity has been recognized in the financial statements as per details given below:

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(a) Net amount recognized for the year is as follows:		
Current service cost	3.52	1.74
Interest cost on defined benefit obligation	0.55	0.36
Expected return on plan assets	(0.32)	(0.26)
Net actuarial (gains)/losses recognized	(1.10)	1.51
Net amount recognized the Consolidated Statement of Profit and Loss	2.65	3.35
(b) Net Liability / (Plan Asset) recognised in the Consolidated Balance Sheet		
Present value of defined benefit obligation	10.32	7.54
Fair Value of Plan Assets	4.00	3.18
Net Liability	6.32	4.36
(c) Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	7.54	4.21
Interest cost	0.55	0.36
Current service cost	3.52	1.74
Benefits paid/ payable	(0.21)	(0.22)
Actuarial (gains)/ losses on obligation	(1.08)	1.45
Closing defined benefit obligation	10.32	7.54
(d) Changes in Fair Value of Plan Assets		
Plan Assets as at the beginning of the Year	3.18	2.71
Expected return on plan assets	0.32	0.26
Contribution during the Year	0.70	0.46
Benefits paid	(0.21)	(0.19)
Actuarial gains/ (losses) on obligation	0.02	(0.06)
Fair value of Plan Asset at the year end	4.00	3.18

Notes on Accounts forming part of Consolidated Financial Statements

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
(e) Principal assumptions used in determining gratuity obligation:		
Discount rate	7.60%	7.80%
Expected rate of salary increase	6% to 7%	6% to 7%
Withdrawal rate	15% at younger ages, reducing to 3% at older ages	5% at younger age, reducing to 1% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In case of ARRIL, the company expects to contribute ₹ 0.74 Million to gratuity in the next year (Previous year ₹ 0.46 Million)

(f) The major categories of plan assets, only in respect of ARRIL, as a percentage of the fair value of total plan assets are as follows:

	Year Ended March 31, 2016	Year Ended March 31, 2015
Investment with Life Insurance Corporation	100%	100%

(g) Amounts for the current and previous four periods are as follows:

(₹ in Million)

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Defined Benefit obligation	10.32	7.54	4.22	3.66	2.14
Plan assets	4.00	3.18	2.71	2.05	1.04
Surplus /(Deficit)	(6.32)	(4.36)	(1.51)	(1.61)	(1.10)
Experience adjustment on plan liabilities	(0.91)	0.53	(0.58)	(0.63)	(0.13)
Experience adjustment on plan assets	(0.02)	0.01	-	(0.04)	-

28 Disclosure in respect of Construction Contracts :

Revenue from fixed price construction contracts are recognized on the percentage of completion method, measured by reference to the percentage of cost incurred up to the year end to estimated total cost for each contract.

(₹ in Million)

	Year Ended March 31, 2016	Year Ended March 31, 2015
I Contract revenue recognized as revenue in the year	688.68	229.27
II For Contracts that are in progress:-		
(a) Contract costs incurred & recognized upto reporting date	1,798.37	1,546.52
(b) Profits (less recognized losses) upto reporting date	1,080.30	629.12
(c) Advances received	-	-
(d) Retention Money	-	-
(e) Unbilled revenue	15.09	-
(f) Unearned revenue	64.34	129.94

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers/technical officials, of percentage of completion and costs to completion of each project/contract on the basis of which profit/loss is allocated.

Notes on Accounts forming part of Consolidated Financial Statements

(a) Transactions during the year

(₹ in Million)

Name of the transactions	Holding Company		Enterprise having significant influence under the contract		Enterprises over which company/holding company is able to exercise significant influence/Fellow Subsidiary		Key Management Personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Unsecured Loan Repaid (including interest)								
SEL	5,009.69	4,749.38	-	-	-	-	-	-
Unsecured Loan converted in to Interest free Loan								
SEL	-	779.56	-	-	-	-	-	-
EPC Contract, Utility Shifting and Variation services availed								
SEL	11,740.63	12,384.76	-	-	-	-	-	-
Mobilisation and Material Advance given								
SEL	-	373.19	-	-	-	-	-	-
Fixed Assets Sold								
SEL	20.50	-	-	-	-	-	-	-
Advance paid for purchase of Shares								
SEL	-	127.01	-	-	-	-	-	-
Purchase of Shares of SPV entity								
SEL	186.92	310.14	-	-	-	-	-	-
Investments made during the year								
MBHPL	-	-	-	-	-	0.12	-	-
DPTL	-	-	-	-	-	8.09	-	-
Sale of Investment during the year								
SEL	-	0.12	-	-	-	-	-	-
Unsecured Loan Given								
MBHPL	-	-	-	-	6.50	39.57	-	-
DPTL	-	-	-	-	31.81	-	-	-
Receipt of Unsecured Loan (including interest)								
MBHPL	-	-	-	-	-	38.67	-	-
DPTL	-	-	-	-	-	12.36	-	-
MNEL	-	-	-	-	188.35	1.41	-	-
Sub Ordinate Loan Given (refer footnote 3 below)								
DPTL	-	-	-	-	-	139.60	-	-
Sale of Services								
SEL	497.33	-	-	-	-	-	-	-
DPTL	-	-	-	-	2.10	1.20	-	-
Interest Income								
DPTL	-	-	-	-	62.55	123.64	-	-
MNEL	-	-	-	-	13.05	14.13	-	-
Rent , Allocation & Re-imbursement of Expense paid								
SEL	88.15	158.33	-	-	-	-	-	-
MBHPL	-	-	-	-	-	26.62	-	-
Managerial Remuneration and directors' sitting fees								
Vasistha Patel	-	-	-	-	-	-	3.30	3.25

Notes on Accounts forming part of Consolidated Financial Statements

(b) Outstanding balance as at Balance Sheet Date

(₹ in Million)

Name of the transactions	Holding Company		Enterprise having significant influence under the contract		Enterprises over which company/holding company is able to exercise significant influence/Fellow Subsidiary		Key Management Personnel	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Interest Free Long-term Unsecured Loan Taken								
SEL	779.56	779.56	-	-	-	-	-	-
Short-term Unsecured Loan Taken								
SEL	5,326.39	4,664.11	-	-	-	-	-	-
Interest on 0.01% Unsecured CCD								
SEL	-	0.14	-	-	-	-	-	-
Capital creditors including retention money								
SEL	1,549.34	2,236.96	-	-	-	-	-	-
Mobilisation and Material Advance Given								
SEL	-	1,934.55	-	-	-	-	-	-
Advance for Purchase of Investment								
SEL	-	267.81	-	-	-	-	-	-
Payable for share acquisition								
SEL	163.71	-	-	-	-	-	-	-
Unsecured Loan Given								
MNEL	-	-	-	-	-	137.16	-	-
MBHPL	-	-	-	-	7.40	0.90	-	-
Sub Ordinate Loan Given (refer foot note 3 below)								
DPTL	-	-	-	-	-	1,124.00	-	-
Trade Receivable (Including Retention Money)								
SEL	81.37	-	-	-	-	-	-	-
DPTL	-	-	-	-	-	4.70	-	-
Interest Income Receivable								
DPTL	-	-	-	-	-	414.89	-	-
MNEL	-	-	-	-	-	38.14	-	-
Interest Payable								
SEL	66.47	117.77	-	-	-	-	-	-
Loans & advances - Other								
MBHPL	-	-	-	-	-	8.13	-	-
SEL	-	0.12	-	-	-	-	-	-
Trade Payable & Other Payables								
SEL	176.42	180.75	-	-	-	-	-	-
Other current Assets								
SEL	-	17.27	-	-	-	-	-	-
Managerial Remuneration								
Vasistha Patel	-	-	-	-	-	-	0.33	0.25

Notes:

- Working capital demand loan of ₹ 100.00 Million as at March 31, 2016 (31 March 2015: ₹ 100.00 Million) from bank is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company.
- Non convertible debenture of ₹ 5,005.41 Million as at March 31, 2016 (March 31, 2015: ₹ 5,005.41 Million) is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% shareholding in the Company to the lenders.
- The Company has completed the 100% acquisition of equity shares in Dhule Palesner Tollway Private Limited ("DPTL") w.e.f. October 29, 2015 and hence, the assets and liability has been eliminated in the consolidated financial statement. Accordingly, the movement of such transaction is not been disclosed in above schedule.

Notes on Accounts forming part of Consolidated Financial Statements

30 Segment Information

The Group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of services, the differing risks and returns and internal reporting system.

The group's operations predominately relate to BOT (Toll Operations & User Fees), Contractual Income (Engineering Procurement Construction (EPC) Contract & Operation, Maintenance and Supervision Services) and Advisory, Project. For the purpose of reporting, business segment is the primary segment.

Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Revenue		
External Revenue		
BOT (Toll Operation, User Fees and other operating income)	6,731.18	4,875.99
Contractual Income	688.68	229.27
Project Operations, Management and Advisory Services	2.10	1.20
Total Revenue	7,421.96	5,106.46
Segment Results		
BOT (Toll Operation & User Fees)	2,476.43	1,468.82
Contractual Income	537.41	69.34
Project Operations, Management and Advisory Services	1.99	1.20
Total	3,015.83	1,539.36
Unallocated Income/(Expense)		
Interest Expense (including other Finance Costs)	(6,397.56)	(5,259.15)
Other income including Finance income	201.88	285.88
Net gain on transfer of rights in equity shares	616.00	-
Other unallocable expenditure net off income	(267.86)	-
(Loss) for the year before tax	(2,831.71)	(3,433.91)
Tax Expense	94.56	(21.57)
(Loss) for the year after tax but before Minority Interest	(2,737.15)	(3,455.48)
Loss attributable to minority interest	(131.25)	(22.45)
Net (Loss) for the year	(2,605.90)	(3,433.03)
Other Information		
Assets		
Segment Assets		
BOT (Toll Operation & User Fees)	1,25,881.43	93,812.13
Contractual Income	61.81	15.88
Project Operations, Management and Advisory Services	-	4.70
Unallocated Corporate Assets	5,130.14	5,047.56
Total Assets	1,31,073.38	98,880.27
Segment Liabilities		
BOT (Toll Operation & User Fees)	37,637.18	26,682.12
Contractual Income	348.07	307.54
Unallocated Corporate Liabilities	81,134.93	63,511.92
Total	1,19,120.18	90,501.58

(₹ in Million)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Capital Expenditure during the year		
BOT (Toll Operation & User Fees)	13,104.42	10,246.99
Unallocated	0.58	-
Segment Depreciation and Amortisation		
BOT (Toll Operation & User Fees)	1,815.37	1,413.43
Unallocated	209.52	-
Unallocated Non-Cash Expenses other than Depreciation	293.28	106.60

Notes on Accounts forming part of Consolidated Financial Statements

Notes:

1. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost. Assets and Liabilities that cannot be allocated amongst the segments are shown as part of unallocated assets and liabilities respectively.
2. The Secondary segment i.e. geographical segment is not a reportable segment as per Accounting Standard 17, Segment reporting, and hence, the details thereof are not given.

31 Assets taken under operating leases:

Office space at Ahmedabad and residential houses for staff accommodation, are obtained on operating leases. During the year, the Group has incurred ₹ 12.13 Million (Previous Year ₹ 12.01 Million) towards rent for office space and ₹ 1.05 Million (previous year ₹ 1.05 Million) towards lease rentals for staff accommodation. There are no sub-leases and the leases are cancellable in nature. There are no restrictions imposed by the lease arrangements. There is neither any contingent rent, nor any escalation clause in the lease agreements.

32 Contingent liabilities and commitments

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
I Contingent Liabilities		
Claims against the Group not acknowledged as debts		
Service Tax:-		
Demand from authorities for recovery of CENVAT credit (refer note (i) below)	43.48	43.48
Income Tax:-		
Income tax demand pertaining to various subsidiaries (refer note (ii) below)	28.44	141.04
Claims against the Company not acknowledged as debts (refer note (iii) below)	8.38	-
	80.30	184.52

- (i) Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal and received stay order from tribunal for recoveries of demands against deposited ₹ 2.5 Million. Further the matter is pending with Tribunal as at reporting date.
- (ii) The income tax demands are pertaining to various subsidiary entities on account of disallowance in computation of income claimed by the entities under the Income tax Act. The entities are contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.
- (iii) In case of ARRIL, interest has been charged by India Infrastructure Finance Company Limited (IIFCL) at higher than agreed rate and the same is not accepted by the company.

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
II Commitments		
The followings are the estimated amount of contractual commitments of the Group:		
(i) EPC Sub-Contract Commitments	899.17	949.05
(ii) On Capital Account (net of Advances)	2,725.62	10,778.15
(iii) Derivative Contract		
a. Index Swap #	-	33.15
b. Currency Options for Principal amount of ECB		
- INR	6,079.95	5,811.22
- USD	104.23	106.46
c. Interest rate swap and Options outstanding		
- INR	1,232.93	1,776.71
- USD	21.14	28.11

The company uses Currency Options and interest rate swap to hedge the exchange rate and interest related risks on its capital account. Such transactions are governed by the strategy approved by the board of directors which provide principles on the use of these instruments, consistent with the Company's Risk Management Policy.

Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary, has entered into an Overnight Index Swap (OIS)

Notes on Accounts forming part of Consolidated Financial Statements

agreement which were settled on maturity date on December 28, 2015. The mark to market value of this agreement at March 31, 2015 is ₹ 33.15 Million.

- (iv) The BOT projects of subsidiary companies viz. ARRIL, AJTL, MBCPNL, BHTPL, HYTPL, RPTPL, NSEL, SUTPL, BRTPL, RHTPL and DPTL have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the banks, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its shares in the respective subsidiary company, details of which are as follows:

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge	
	Upto Commercial operation	After Commercial operation	March 31, 2016	March 31, 2015
ARRIL	70%	45%*	30.00%	30.00%
BHTPL	51%	26%	26.00%	26.00%
RPTPL	51%	51%	51.00%	51.00%
HYTPL	51%	51%	51.01%	51.01%
RHTPL	51%	51%	51.00%	51.00%
NSEL	30%	99%	99.00%	30.00%
AJTL	51%	51%	51.00%	51.00%
MBCPNL	70%	51%	51.00%	51.00%
SUTPL	51%	51%	51.00%	51.00%
DPTL	51%	33%	33.00%	33.00%
BRTPL	51%	51%	51.00%	51.00%

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (v) The Infrastructure project of the various SPVs have been funded through sub ordinate debt (in the nature of capital contribution) given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entity. The Sub-ordinate debt and interest receivable thereon is refundable on fulfilment of financial performance / obligation as per terms and conditions of agreement with lenders.
- (vi) The group has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt. Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals and fulfilment of conditions under the agreement.
- (vii) The Company had entered into an agreement dated September 18, 2013 to sell 9.93% equity shareholding of Maharashtra Border Check Post Network Limited (MBCPNL) to D. Thakkar Construction Private Limited. Further, the Company has also entered into an agreement dated November 4, 2014 with SEL to purchase 10% of equity shareholding in MBCPNL. Both the transactions are subject to conditions precedent under the respective agreements which are pending as at year end. As at 31 March 2016, Company has also outstanding unsecured loan of ₹ 110 million from D. Thakkar Construction Private Limited.

III Other Litigations:

Bijapur Hungud Tollway Private Limited:

The minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 with the Company Law Board - Mumbai Bench against Sadbhav Engineering Ltd. (SEL), a holding Company and its associates/affiliates wherein the company is also defendant in the year 2013-14. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL / affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB have been stayed. Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal under Letters Petent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. During the year, the LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management represents that no liability is likely to devolve in the matter on the Company.

Notes on Accounts forming part of Consolidated Financial Statements

- 33 Pursuant to Initial Public Offering (IPO), 47,733,659 equity shares of the Company of ₹ 10 each were offered to public at price of ₹ 103 per equity share consisting of fresh issues of 41,262,135 equity shares and offer for sale of 6,471,524 equity shares by the existing shareholders. The equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited w.e.f 16th September, 2015. The Company has incurred expenses of ₹ 238.07 million (net of recovery) related to fresh issue of equity shares which has been adjusted against securities premium account in terms of section 52 of the Companies Act, 2013.

Details of utilization of IPO Proceeds are as follows:-

(₹ in Million)

Sr. No.	Particulars	Objects of the issue as per Prospectus	Total utilization upto March 31, 2016
1	Repayment of rupee loan facility from ICICI Bank Limited	1,800.00	1,800.00
2	Part repayment of unsecured loans from Sadbhav Engineering Limited, corporate promoter	848.40	848.40
3	Advancing of Subordinate Debt to Subsidiary, Shreenathji Udaipur Tollway Private Limited	820.00	820.00
4	General Corporate Purposes	541.15	541.15
5	Fresh issue related expenses (only those apportioned to the Company)	240.45	*240.45
	Total	4,250.00	4,250.00

* Includes surplus of ₹ 2.38 million arising after meeting issue related expenses, which have been utilised towards general corporate purposes.

- 34 Movement in Periodic Major Maintenance Provision:

(₹ in Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Carrying amount as at Beginning of the Year	992.92	409.78
Add: Additional provision made in the year (refer note 22)	1,065.52	768.07
Add: provision made by subsidiary before its acquisition	248.88	-
Less: Amounts used (i.e. incurred and charged against the provision) during the year	-	184.93
Carrying amount as at end of the year	2,307.32	992.92
Current	286.38	-
Non-Current	2,020.94	992.92
Total	2,307.32	992.92

- 35 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)	
	As % of consolidated net assets	Amount ₹ In Million	As % of consolidated profit / (loss)	Amount ₹ In Million
Parent Company				
SIPL	-72.21%	(8,631.30)	23.43%	(610.62)
Subsidiary Companies				
Indian				
ARRIL	2.81%	335.68	-4.30%	112.01
BHTPL	19.24%	2,299.67	14.83%	(386.56)
AJTL	5.23%	624.89	4.46%	(116.20)
MBCPNL	25.09%	2,999.35	4.13%	(107.68)
NSWEL	5.85%	699.09	3.48%	(90.64)
HYTPL	6.25%	747.11	6.27%	(163.28)
RPTPL	6.73%	804.44	38.77%	(1,010.41)
SUTPL	24.78%	2,962.10	6.09%	(158.71)
BRTPL	32.52%	3,887.65	0.00%	(0.05)
RHTP	26.16%	3,127.28	0.02%	(0.51)
DPTL	13.88%	1,658.90	7.85%	(204.52)
Minority interest in all subsidiaries	3.67%	438.34	-5.04%	131.25
Total	100.00%	11,953.20	100.00%	(2,605.90)

Notes on Accounts forming part of Consolidated Financial Statements

- 36** In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, the Company has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31st March, 2016, the company has achieved provisional certificate of completion for 16 check posts out of total 22 check posts as per Concession agreement. The collection of service fees have been started in 13 BCP as per directive of MSRDC. Further, during the year, the company has received general resolution from government of Maharashtra for construction of additional 2 Check post on BOT basis.

As at 31st March, 2016, the project implementation is in progress and there are costs variance in development of each BCP site. The Company has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC read with note 37 below. The company has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement. The Company is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the company under the terms of concession agreement.

- 37** Up to the reporting date, MBCPNL has accepted and accounted project related cost compensation claim of ₹ 1,740.57 million towards increase in cost of construction due to delay in execution of the Modernisation and Computerisation of 22 Border Check Post Project ('BCP Project') on account various reasons not attributable to MBCPNL, upto March 31, 2016 (upto previous year ₹ 1,637.44 million). The costs have been accounted as intangible assets / intangible assets under development. The amount accounted is subject to the approval of Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer has in-principle accepted and recommended the MBCPNL's cost compensation claim. Based on the recommendations at the project steering committee, GoM will take appropriate decision in regard to cost escalation claim of the MBCPNL and it is confident that the additional costs accounted in the books will be fully accepted by the GoM.

- 38** As per amendment to Finance Act, 2012, the border check post services provided by the MBCPNL, in the State of Maharashtra, were made taxable within the services tax laws since April-2013. Accordingly, in the financial year 2014-15, MBCPNL accounted its service tax liability of ₹ 136.73 million (for the services provided) and correspondingly, also recorded CENVAT credit of ₹ 234.85 million on the project input services/materials, as applicable. During the year, similarly, MBCPNL deposited service tax of ₹ 192.15 Million out of the check post user fees collected and recorded the same as expense under rates and taxes in note no 25.

In terms of the concession agreement with Government of Maharashtra, the user fee collected by the MBCPNL was not subject to service, whereby Company (Concessionaire) represented to the Government of Maharashtra (Licensor) that such service tax is an additional financial burden on the concessionaire and it should be compensated for the same. The MBCPNL represented that in terms of article 17.1 of the concession agreement, this additional financial burden is on account of change of law. As per MSRDC communication dated July 24, 2015 in the matter, it is proposed that subject to the opinion of Law & Judiciary department of Government of Maharashtra, necessary fee notification will have to be issued in the matter (including for the service tax deposited/ to be payable till notification).

Considering the above recommendations from MSRDC, the MBCPNL is confident that it will be able to fully recover additional financial burden through service tax amendments, although the same has been expensed in the books of account.

- 39** In the case of the following subsidiaries there are accumulated losses as at the balance sheet date, which have resulted in erosion of the respective company's net worth, although the Sponsors of the Projects, have invested through sub-ordinate debts which is part of the Project equity capital as per terms of Rupee Facility Agreements of the respective entities. The repayment of such sub-ordinate debt is subject to certain stipulations under the loan agreement. The subsidiaries have no intention of curtailing the scale of operations and have projected increased traffic movement for their respective projects. Also, the subsidiaries have been able to meet their financial obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (SIPL). Accordingly, these consolidated financial statements have been prepared assuming that such Subsidiaries will continue as a going concern. The details are as follows:

(₹ in Million)

Name of the Subsidiary	Accumulated Losses as at	
	March 31, 2016	March 31, 2015
Aurangabad Jalna Tollway Limited	827.85	627.12
Hyderabad-Yadgiri Tollway Limited	852.35	644.20
Nagpur Seoni Expressway Limited	597.66	-
Dhule Palesner Tollway Limited	3,190.74	-
Rohtak-Panipat Tollway Private Limited	2,296.77	1,170.74
Maharashtra Border Check Post Network Limited	1,339.09	1,144.92

Notes on Accounts forming part of Consolidated Financial Statements

40 Exceptional Items:

Exceptional items consist of the following:

(₹ in Million)

Sr. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(i)	Net gain on transfer of equity rights (refere note below).	(616.00)	-
(ii)	Additional Concession Fees Payable to National Highways Authority of India (NHAI) in case of RPTPL and HYTPL.	-	(153.32)
(iii)	Amount payable to AUDA for toll collected by the Company during the construction period without approval from AUDA.	-	36.78
	Total	(616.00)	(116.54)

Note: During the year ended March 31, 2016, the Group has transferred its rights in the 1,04,00,000 equity shares of Mumbai Nasik Expressway Limited at a consideration of ₹ 720.00 million. The profit made on sale of rights in the equity shares of ₹ 616.00 million (i.e. net of cost of ₹ 104.00 million) has been accounted as an exceptional item in the Consolidated statement of profit and loss for year ended March 31, 2016.

41 During the year, Shreenathji Udaipur Tollway Private Limited (SUTPL), one of the subsidiary, has received Provisional Commercial Operation Date (PCOD) as on December 04, 2015 and accordingly the toll collection was started from December 06, 2015. The statement of profit & loss for the year ended March 31, 2016 also includes operations of SUTPL w.e.f. PCOD and to that extent current year operational nos are not comparable with the previous year operational nos for the year ended March 31, 2015.

42 During the period, between February 17 to 26, 2016, there was a social unrest in the State of Haryana, which caused some damages to RPTPL's Toll assets including loss of toll operations for few days from February 17 to 26, 2016. The damages to assets (including cost of replacement) amounting to ₹ 6.09 million and cash loss of ₹ 0.58 million has been written off in the statement of profit and loss. As at year end, the RPTPL is in process of filing insurance claim for the damages to assets and towards estimated loss of revenue during the unrest period.

43 Expenditure in foreign currency (accrual basis)

(₹ in Million)

	As at March 31, 2016	As at March 31, 2015
Interest expenses on foreign currency borrowings	427.10	396.14
Finance charges	5.11	5.72
	432.21	401.86

44 Previous Year

Previous year's figures have been regrouped / reclassified wherever necessary to facilitate comparability with current year's classification.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E

Arpit K. Patel
Partner
Membership No. 34032

Date : April 23, 2016
Place : Ahmedabad

For Manubhai & Shah LLP
Chartered Accountants
ICAI Firm Registration No.: 106041W

K. C. Patel
Partner
Membership No. 30083

Date : April 23, 2016
Place : Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Mr. Vasistha Patel
Managing Director
DIN : 00048324

Mr. Gaurav Vesasi
Company Secretary

Date : April 23, 2016
Place : Ahmedabad

Mr. Vishnubhai Patel
Director
DIN : 00048287

Mr. Varun Mehta
Chief Financial Officer

Note :

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Note :

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SADBHAV INFRASTRUCTURE PROJECT LIMITED

CIN : L45202GJ2007PLC049808

Registered Office : 'Sadbhav House' Opp. Law Garden Police Chowki Ellisbridge, Ahmedabad-380006, Gujarat • Tel.: 91 79 26463384 • Fax : 91 79 26400210
E-mail : investor@sadbhavinfra.co.in • Web : www.sadbhavinfra.co.in

ATTENDANCE SLIP

DP ID	
Client ID	

Folio No.	
No. of Shares	

Name and address of Shareholder / Proxy holder

I hereby record my presence at the **10th Annual General Meeting of the Company** held on Wednesday, 28th September, 2016 at Lions Hall, Mithakhali Six Roads, Ellisbridge, Ahmedabad- 380006 at 11.00 a.m.

Shareholder/Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)



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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):			
Registered Address:			
E-mail ID:			
Folio No./ Client ID:		DP ID:	

I/We, being the member(s) of _____ shares of the **Sadbhav Infrastructure Project Limited**, hereby appoint;

- 1) _____ of _____ having e-mail id _____ or failing him / her
- 2) _____ of _____ having e-mail id _____ or failing him / her
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **10th Annual General Meeting of the Company**, to be held on Wednesday, 28th September, 2016 at 11:00 a.m. at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad-380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

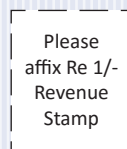
1. Consider and adopt:
(a) Audited Financial Statement, Report of the Board of Directors and Auditors.

P. T. O.

(b) Audited Consolidated Financial Statement

2. Re-Appointment of Mr. Vishnubhai M. Patel who retires by rotation.
3. Ratification of appointment of Joint Statutory Auditors and fixing their remuneration.
4. Ratification of Remuneration of Cost Auditor.
5. Ratification / Approval of Related Party Transactions.
6. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis.
7. Increase in borrowing limits.
8. Creation of charge on company's properties.

Signed this _____ day of _____ 2016



Signature of shareholder

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

Notes :

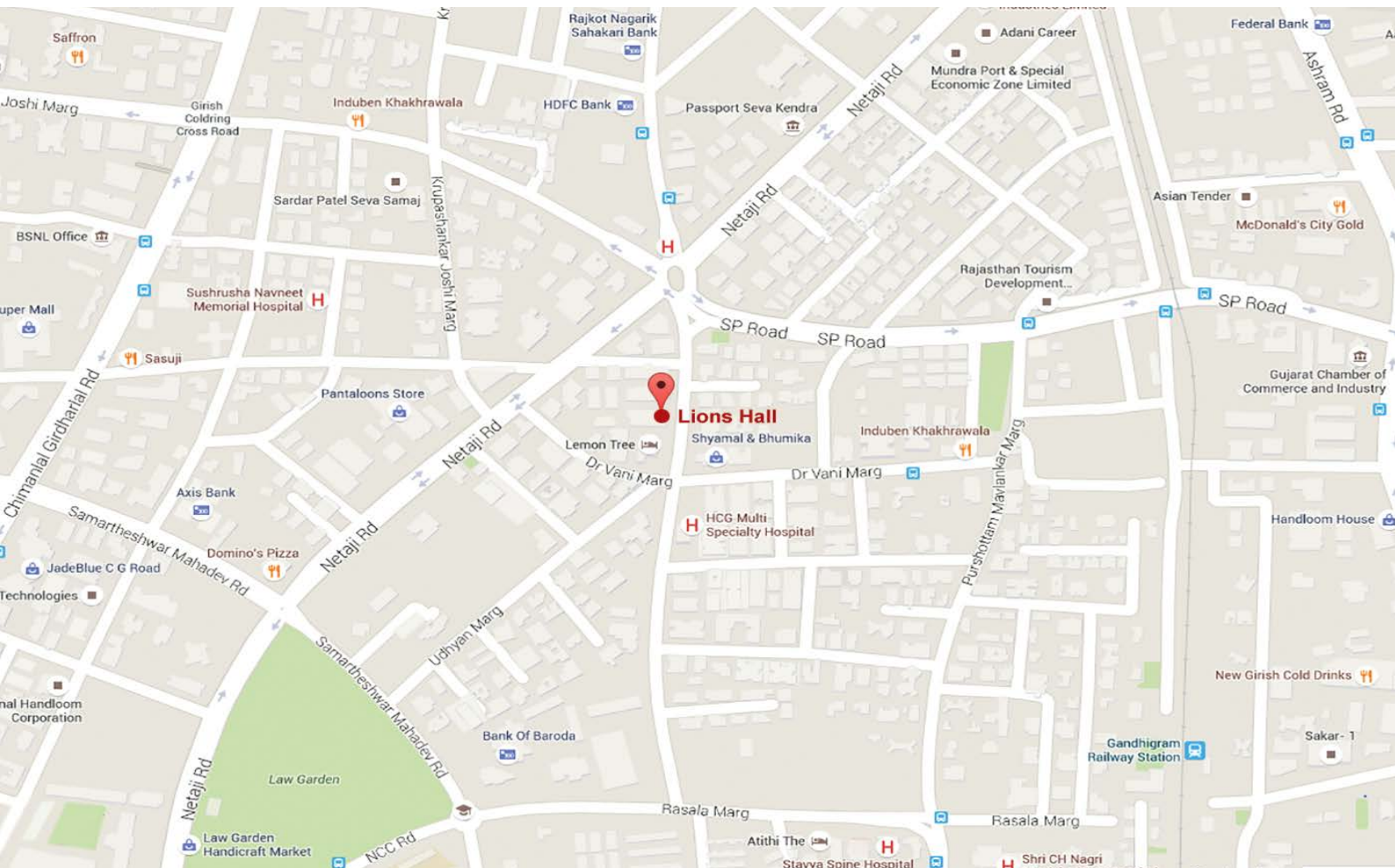
- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the share capital of the Company carrying rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Disclaimer

This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





SADBHAV INFRASTRUCTURE PROJECT LIMITED

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